

KAMIESBERG

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2017

KAMIESBERG MUNICIPALITY

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KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

GENERAL INFORMATION

NATURE OF BUSINESS

Kamiesberg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) Grade 2 as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Kamiesberg Municipality includes the following areas of Garies, Hondeklipbaai, Kamassies, Kheis, Kharkams, Kamieskroon, Klipfontein, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier and Tweerivier.

MUNICIPAL MANAGER

JG Cloete (Acting)

CHIEF FINANCIAL OFFICER

R Beukes

REGISTERED OFFICE

Private Bag X200
Garies
8220

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Schreuders

KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

GENERAL INFORMATION

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations

MEMBERS OF THE KAMIESBERG MUNICIPALITY

WARD

1
1
2
3
3
4
Proportional
Proportional
Proportional
Proportional
Proportional

COUNCILLOR

EA Stewens (resigned 10/08/2016)
LE Petersen (appointed 18/08/2016)
MC Rooi (appointed 18/08/2016)
HG Links (resigned 10/08/2016)
SC Nero
MJ Cloete
MR Klaase (resigned 10/08/2016)
MS Cardinal (resigned 10/08/2016)
PJ Willems
CC Kordom (appointed 18/08/2016)
RO Adams (appointed 18/08/2016)

KAMIESBERG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2017, which are set out on pages 5 to 103 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2018 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

JG Cloete (Acting)
Municipal Manager

Date

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

	Notes	2017 R	2016 R
NET ASSETS AND LIABILITIES			
Net Assets		90 562 325	55 546 397
Accumulated Surplus/(Deficit)		90 562 325	55 546 397
Non-Current Liabilities		26 356 255	21 481 411
Long-term Borrowings	2	1 924 320	565 265
Non-current Provisions	3	21 173 755	17 743 591
Non-current Employee Benefits	4	3 258 180	3 172 555
Current Liabilities		30 772 442	49 553 855
Consumer Deposits	5	1 469 914	1 363 884
Current Employee Benefits	6	1 917 231	1 869 097
Trade and Other Payables from exchange transactions	7	21 351 830	41 995 944
Unspent Transfers and Subsidies	8	5 202 286	4 141 952
Current Portion of Long-term Borrowings	2	831 181	182 978
Total Net Assets and Liabilities		147 691 022	126 581 662
ASSETS			
Non-Current Assets		125 098 076	113 327 669
Property, Plant and Equipment	10	122 514 011	110 781 558
Investment Property	11	2 471 010	2 471 010
Intangible Assets	12	107 655	69 701
Heritage Assets	13	5 400	5 400
Current Assets		22 592 946	13 253 993
Inventory	14	121 293	94 043
Receivables from exchange transactions	15	6 799 652	6 062 976
Receivables from non-exchange transactions	16	4 853 271	3 529 064
Taxes	9	2 835 657	2 996 938
Cash and Cash Equivalents	17	7 983 074	570 973
Total Assets		147 691 022	126 581 662

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 R	2016 R
REVENUE			
Revenue from Non-exchange Transactions		67 675 810	34 577 659
Taxation Revenue		6 675 450	5 747 423
Property Rates	18	6 675 450	5 747 423
Transfer Revenue		60 551 952	28 824 010
Government Grants and Subsidies	19	29 528 861	28 729 637
Public Contributions and Donations	20	31 023 090	94 372
Other Revenue		448 408	6 226
Actuarial Gains	4	442 449	-
Fines, Penalties and Forfeits		5 959	6 226
Revenue from Exchange Transactions		22 820 258	14 258 833
Service Charges	21	13 737 610	8 938 200
Sales of Goods and Rendering of Services	22	681 688	651 764
Rental from Fixed Assets	23	192 139	280 652
Interest Earned - external investments	24	885 060	141 101
Interest Earned - outstanding receivables	25	3 473 703	3 303 821
Licences and Permits		151 524	130 022
Agency Services		350 598	375 758
Operational Revenue	26	3 347 935	437 517
Total Revenue		90 496 068	48 836 492
EXPENDITURE			
Employee related costs	27	(20 106 289)	(17 425 901)
Remuneration of Councillors	28	(2 154 343)	(2 126 003)
Bad Debts Written Off		-	-
Contracted Services	29	(4 027 678)	(2 608 800)
Depreciation and Amortisation	30	(1 625 220)	(8 858 731)
Actuarial Losses	5	-	(64 369)
Finance Costs	31	(2 956 879)	(4 105 266)
Bulk Purchases	32	(10 652 509)	(8 709 058)
Inventory Consumed	14	(1 698 830)	(1 302 370)
Operational Costs	33	(4 551 081)	(4 265 132)
Total Expenditure		(47 772 829)	(49 465 629)
Operating Surplus for the Year		42 723 240	(629 136)
(Impairment Loss)/Reversal of Impairment Loss on Receivables	34	(7 357 805)	(4 213 642)
Gains/(Loss) on Sale of Fixed Assets	35	(322 882)	(760 768)
(Impairment Loss)/Reversal of Impairment Loss on Fixed Assets	36	(26 627)	138 624
NET SURPLUS/(DEFICIT) FOR THE YEAR		35 015 926	(5 464 922)

KAMIESBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2015	57 841 432	57 841 432
Correction of Error - Note 38.6	3 169 887	3 169 887
Restated balance	61 011 319	61 011 319
Net Surplus/(Deficit) for the year	(5 464 922)	(5 464 922)
Net Surplus/(Deficit) previously reported	(4 821 363)	(4 821 363)
Effects of Correction of Errors - Note 38.7	(643 559)	(643 559)
Restated balance at 30 June 2016	55 546 397	55 546 397
Net Surplus/(Deficit) for the year	35 015 926	35 015 926
Balance at 30 June 2017	90 562 323	90 562 323

KAMIESBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 R	2016 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		3 228 173	2 007 579
Service Charges		11 239 903	10 553 974
Other Revenue		35 752 935	1 995 398
Government - Operating		22 183 195	15 057 422
Government - Capital		8 406 000	7 960 000
Interest		885 060	141 101
Dividends		-	-
Cash payments			
Suppliers and Employees		(63 422 366)	(27 307 133)
Finance Charges		(891 504)	(2 357 619)
Transfers and Grants		-	-
Net Cash from Operating Activities	39	17 381 395	8 050 722
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(9 652 730)	(9 546 838)
Proceeds on Disposal of Assets		-	1 103 218
Purchase of Intangible Assets		(71 463)	-
Decrease/(Increase) in Non-Current Debtors		-	-
Decrease/(Increase) in Other Non-Current Receivables		-	-
Decrease/(Increase) in Non-Current Investments		-	-
Net Cash from Investing Activities		(9 724 193)	(8 443 619)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans		-	-
Borrowing - Long term/Refinancing		-	541 013
Increase/(Decrease) in Consumer Deposits		106 030	(5 235)
Repayment of Borrowing		(351 132)	(436 684)
Net Cash from Financing Activities		(245 102)	99 094
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7 412 099	(293 804)
Cash and Cash Equivalents at the beginning of the year		570 973	864 775
Cash and Cash Equivalents at the end of the year	40	7 983 074	570 973
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7 412 101	(293 802)

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2017 R	%
ASSETS									
Current Assets									
		1 592 000	-	1 592 000	-	-	1 592 000	387 420	-75.66%
		729 000	-	729 000	-	-	729 000	7 595 653	941.93%
		45 454 000	-	45 454 000	-	-	45 454 000	11 652 923	-74.36%
		-	-	-	-	-	-	2 835 657	100.00%
		-	-	-	-	-	-	121 293	100.00%
Total Current Assets	42.2.1	47 775 000	-	47 775 000	-	-	47 775 000	22 592 946	-52.71%
Non-Current Assets									
		-	10 000 000	10 000 000	-	-	10 000 000	-	-100.00%
		499 000	-	499 000	-	-	499 000	2 471 010	395.19%
		105 451 000	-	105 451 000	-	-	105 451 000	122 519 411	16.19%
		-	-	-	-	-	-	107 655	100.00%
Total Non-Current Assets	42.2.2	105 950 000	10 000 000	115 950 000	-	-	115 950 000	125 098 076	7.89%
TOTAL ASSETS		153 725 000	10 000 000	163 725 000	-	-	163 725 000	147 691 022	-9.79%
LIABILITIES									
Current Liabilities									
		471 000	-	471 000	-	-	471 000	831 181	76.47%
		-	-	-	-	-	-	1 469 914	100.00%
		43 159 000	-	43 159 000	-	-	43 159 000	26 554 116	-38.47%
		10 997 000	-	10 997 000	-	-	10 997 000	1 917 231	-82.57%
Total Current Liabilities	42.2.3	54 627 000	-	54 627 000	-	-	54 627 000	30 772 442	-43.67%
Non-Current Liabilities									
		-	-	-	-	-	-	1 924 320	100.00%
		-	-	-	-	-	-	24 431 935	100.00%
Total Non-Current Liabilities	42.2.4	-	-	-	-	-	-	26 356 255	100.00%
TOTAL LIABILITIES		54 627 000	-	54 627 000	-	-	54 627 000	57 128 697	4.58%
NET ASSETS									
		99 098 000	10 000 000	109 098 000	-	-	109 098 000	90 562 325	-16.99%
TOTAL NET ASSETS	42.2.5	99 098 000	10 000 000	109 098 000	-	-	109 098 000	90 562 325	-16.99%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2017 R	%
REVENUE									
	Property Rates	8 864 000	1 752 000	10 616 000	-	-	10 616 000	6 675 450	100.00%
	Property Rates - Penalties & Collection Charges	-	-	-	-	-	-	-	-
	Service Charges - Electricity Revenue	5 747 000	2 315 000	8 062 000	-	-	8 062 000	6 813 447	-15.49%
	Service Charges - Water Revenue	4 160 000	(145 000)	4 015 000	-	-	4 015 000	3 943 129	-1.79%
	Service Charges - Sanitation Revenue	1 080 000	160 000	1 240 000	-	-	1 240 000	1 456 621	17.47%
	Service Charges - Refuse Revenue	1 129 000	690 000	1 819 000	-	-	1 819 000	1 524 414	-16.19%
	Service Charges - Other Revenue	-	-	-	-	-	-	-	-
	Rental of Facilities and Equipment	238 000	(97 000)	141 000	-	-	141 000	192 139	36.27%
	Interest Earned - External Investments	-	813 000	813 000	-	-	813 000	885 060	8.86%
	Interest Earned - Outstanding Debtors	1 470 000	(440 000)	1 030 000	-	-	1 030 000	3 473 703	237.25%
	Fines	5 000	-	5 000	-	-	5 000	5 959	19.19%
	Licences and Permits	1 000	-	1 000	-	-	1 000	151 524	15052.45%
	Agency Services	-	-	-	-	-	-	350 598	-
	Transfers Recognised - Operational	22 166 000	21 077 000	43 243 000	-	-	43 243 000	51 587 093	19.30%
	Other Revenue	1 574 000	57 000	1 631 000	-	-	1 631 000	4 472 072	174.19%
Total Revenue (excluding capital transfers and contributions)	42.2.6	46 434 000	26 182 000	72 616 000	-	-	72 616 000	81 531 210	12.28%
EXPENDITURE									
	Employee Related Costs	17 570 000	1 117 000	18 687 000	-	-	18 687 000	20 106 289	7.60%
	Remuneration of Councillors	2 230 000	22 000	2 252 000	-	-	2 252 000	2 154 343	-4.34%
	Debt Impairment	2 001 000	-	2 001 000	-	-	2 001 000	7 357 805	267.71%
	Depreciation and Asset Impairment	2 865 000	-	2 865 000	-	-	2 865 000	1 625 220	-43.27%
	Finance Charges	78 000	73 000	151 000	-	-	151 000	2 956 879	1858.20%
	Bulk Purchases	11 240 000	1 039 000	12 279 000	-	-	12 279 000	10 652 509	-13.25%
	Other Materials	2 370 000	-	2 370 000	-	-	2 370 000	1 698 830	-28.32%
	Contracted Services	-	-	-	-	-	-	4 027 678	100.00%
	Transfers and Grants	2 542 000	-	2 542 000	-	-	2 542 000	-	-100.00%
	Other Expenditure	9 741 000	844 000	10 585 000	-	-	10 585 000	4 900 590	-53.70%
Total Expenditure	42.2.7	50 637 000	3 095 000	53 732 000	-	-	53 732 000	55 480 142	3.25%
Surplus/(Deficit)		(4 203 000)	23 087 000	18 884 000	-	-	18 884 000	26 051 068	37.95%
Transfers Recognised - Capital		9 606 000	(2 400 000)	7 206 000	-	-	7 206 000	8 964 858	24.41%
Surplus/(Deficit) after Capital Transfers & Contributions		5 403 000	20 687 000	26 090 000	-	-	26 090 000	35 015 926	34.21%
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation		5 403 000	20 687 000	26 090 000	-	-	26 090 000	35 015 926	34.21%
Attributable to Minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality		5 403 000	20 687 000	26 090 000	-	-	26 090 000	35 015 926	34.21%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		5 403 000	20 687 000	26 090 000	-	-	26 090 000	35 015 926	34.21%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2017 R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation		8 811 000	1 805 000	10 616 000	-	-	10 616 000	3 228 173	-69.59%
Service Charges		14 722 000	414 000	15 136 000	-	-	15 136 000	11 239 903	-25.74%
Other Revenue		1 808 000	-	1 778 000	-	-	1 778 000	35 752 935	1910.85%
Government - Operating		22 166 000	-	43 243 000	-	-	43 243 000	22 183 195	-48.70%
Government - Capital		9 606 000	-	7 206 000	-	-	7 206 000	8 406 000	16.65%
Interest		1 461 000	382 000	1 843 000	-	-	1 843 000	885 060	-51.98%
Dividends		-	-	-	-	-	-	-	
Payments									
Suppliers and Employees		(45 694 000)	-	(45 694 000)	-	-	(45 694 000)	(63 422 366)	38.80%
Finance costs		(78 000)	(73 000)	(151 000)	-	-	(151 000)	(891 504)	490.40%
Transfers and Grants		(11 616 000)	2 400 000	(9 216 000)	-	-	(9 216 000)	-	-100.00%
Net Cash from/(used) Operating Activities	42.2.8	1 186 000	4 928 000	24 761 000	-	-	24 761 000	17 381 395	-29.80%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors		-	-	-	-	-	-	-	
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		-	-	-	-	-	-	(9 724 193)	100.00%
Net Cash from/(used) Investing Activities	42.2.9	-	-	-	-	-	-	(9 724 193)	
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits		-	-	-	-	-	-	106 030	-100.00%
Payments									
Repayment of Borrowing		-	-	-	-	-	-	(351 132)	100.00%
Net Cash from/(used) Financing Activities	42.2.10	-	-	-	-	-	-	(245 102)	
NET INCREASE/(DECREASE) IN CASH HELD		1 186 000	4 928 000	24 761 000	-	-	24 761 000	7 412 099	-70.07%
Cash and Cash Equivalents at the year begin:		-	-	-	-	-	-	570 973	
Cash and Cash Equivalents at the year end:		1 186 000	4 928 000	24 761 000	-	-	24 761 000	7 983 072	-67.76%

INSERT ACCOUNTING POLICY

See word document

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
2. LONG-TERM BORROWINGS		
Capitalised Lease Liability - At amortised cost	2 755 501	748 243
	2 755 501	748 243
Less: Current Portion transferred to Current Liabilities	(831 181)	(182 978)
Capitalised Lease Liability - At amortised cost	(831 181)	(182 978)
	1 924 320	565 265
Total Long-term Borrowings - At amortised cost using the effective interest rate method	1 924 320	565 265

2.1 The obligations under finance leases are scheduled below:

Minimum
payments

Amounts payable under finance leases:

Payable within one year	1 106 490	284 232
Payable within two to five years	2 196 252	720 795
Payable after five years	-	-
	3 302 742	1 005 027
Less: Future finance obligations	(547 241)	(256 784)
Present value of finance lease obligations	2 755 501	748 243

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua Mobile	Laptops & Modems	0%	0%	2 Years	30/06/2017
Nashua	Fax machines and Copiers	17%	0%	5 Years	31/03/2022
Bidvest	Vehicles	10%	0%	3 Years	31/05/2020

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 10

3. NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	21 173 755	17 743 591
Total Non-current Provisions	21 173 755	17 743 591

3.1 Landfill Sites

Balance 1 July	17 743 591	15 328 150
Contribution for the year	1 767 613	1 509 005
Change in Provision for Rehabilitation Cost	1 662 551	906 436
Total provision 30 June	21 173 755	17 743 591
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	21 173 755	17 743 591

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Hondeklip Bay	Klipfontein	Soebatsfontein	Garies	
Area (m²)	6 175	2 392	2 952	12 875	
Rehabilitation volume (m³)	2 050	635	1 075	9 350	
Fence (m)	420	-	350	-	
Cost of fence (Rand)	273 000	-	227 500	-	
Site Clearance (R70/m³)	143 500	44 450	75 250	654 500	
Excavation cost (R120/m³ + Transport)	407 500	290 500	358 000	3 466 000	
Filling (R60/m²)	370 500	143 520	177 120	772 680	
Environmental impact assessment (Rand)	220 000	-	-	220 000	
Application for permits (Rand)	37 000	-	-	37 000	
Preliminary and general (Rand)	179 175	71 771	125 681	733 977	
Fees and expenses (Rand)	137 368	55 024	96 355	562 716	
	Tweerivier	Kharkams	Spoegrivier	Nourivier	
Area (m²)	4 268	3 662	2 490	4 650	
Rehabilitation volume (m³)	506	1 417	580	294	
Fence (m)	-	-	200	-	
Cost of fence (Rand)	-	-	130 000	-	
Site Clearance (R70/m³)	35 420	99 190	40 600	20 580	
Excavation cost (R120/m³)	282 160	610 120	274 000	205 840	
Filling (R60/m²)	256 080	219 720	149 400	279 000	
Environmental impact assessment (Rand)	-	-	-	-	
Application for permits (Rand)	-	-	-	-	
Preliminary and general (Rand)	86 049	139 355	89 100	75 813	
Fees and expenses (Rand)	65 971	106 838	68 130	58 123	
	Koingnaas	Leliefontein	Rooifontein/ Kamassies	Paulshoek	Kamieskroon
Area (m²)	9 500	5 250	6 440	4 900	14 500
Rehabilitation volume (m³)	2 050	810	574	687	4 450
Fence (m)	-	-	-	-	460
Cost of fence (Rand)	-	-	-	-	299 000
Site Clearance (R70/m³)	184 100	56 700	40 180	48 090	311 500
Excavation cost (R120/m³)	-	391 600	306 640	347 320	1 702 000
Filling (R60/m²)	570 000	315 000	386 400	294 000	870 000
Environmental impact assessment (Rand)	220 000	-	-	-	-
Application for permits (Rand)	37 000	-	-	-	-
Preliminary and general (Rand)	113 115	114 495	109 983	103 412	477 375
Fees and expenses (Rand)	86 722	87 780	84 320	72 282	365 988

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

	Estimated decommission date	2017 R	2016 R
Hondeklip Bay	2037	11 272 523	9 561 949
Koingnaas	2037	7 720 578	-
Klipfontein	2037	3 858 990	2 821 375
Soebatsfontein	2037	6 757 649	5 387 792
Garies	2021	8 696 422	8 413 101
Tweerivier	2037	4 626 723	3 621 046
Kharkams	2037	7 492 879	5 945 751
Spoegrivier	2037	4 790 771	3 592 011
Nourivier	2037	4 076 349	3 065 332
Leliefontein	2037	6 156 221	4 995 140
Rooifontein/ Kamassies	2037	5 913 618	4 673 506
Paulshoek	2037	5 560 278	4 377 838
Kamieskroon	2037	25 667 725	22 045 219
		102 590 727	78 500 059

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
4. NON-CURRENT EMPLOYEE BENEFITS		
Provision for Post Retirement Health Care Benefits	2 288 334	2 287 611
Provision for Long Service Awards	969 846	884 944
Total Non-current Employee Benefits	3 258 180	3 172 555
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	2 326 251	1 939 467
Contribution for the year	423 108	362 243
Expenditure for the year	(40 187)	(39 665)
Actuarial Loss/(Gain)	(377 388)	64 206
Total provision 30 June	2 331 784	2 326 251
Less: Transfer of Current Portion to Current Provisions - Note 6	(43 450)	(38 640)
Balance 30 June	2 288 334	2 287 611
<u>Long Service Awards</u>		
Balance 1 July	962 298	857 516
Contribution for the year	182 755	154 394
Expenditure for the year	(28 968)	(49 774)
Actuarial Loss/(Gain)	(65 061)	162
Total provision 30 June	1 051 024	962 298
Less: Transfer of Current Portion to Current Provisions - Note 6	(81 178)	(77 354)
Balance 30 June	969 846	884 944
4.1 Provision for Post Retirement Health Care Benefits		
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	25	23
In-service (employee) non-members	61	64
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	88	89
The liability in respect of past service has been estimated to be as follows:		
In-service members	1 233 705	1 093 881
In-service non-members	800 140	928 400
Continuation members	297 939	303 970
Total Liability	2 331 784	2 326 251
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:		
	2015 R	2014 R
In-service members	820 417	741 939
In-service non-members	811 365	643 148
Continuation members	307 685	306 862
Total Liability	1 939 467	1 691 949
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
LA Health		
The Current-service Cost for the ensuing year is estimated to be R187 465, whereas the Interest Cost for the next year is estimated to be R229 404.		

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Key actuarial assumptions used:	2017 %	2016 %
i) Rate of interest		
Discount rate	9.93%	9.48%
Health Care Cost Inflation Rate	8.21%	8.51%
Net Effective Discount Rate	1.59%	0.90%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 63 years for males and 58 years for females.

iv) Expected rate of salary increases

2017/2018 - Average CPI (Feb 2016 – Jan 2017) + 1 per cent

The three-year Salary and Wage Collective Agreement ends on 30 June 2018.

	2017 R	2016 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 331 784	2 326 251
Fair value of plan assets	-	-
	<u>2 331 784</u>	<u>2 326 251</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>2 331 784</u>	<u>2 326 251</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 326 251	1 939 467
Total expenses	384 468	322 578
Current service cost	204 305	187 313
Interest Cost	218 803	174 930
Benefits Paid	(38 640)	(39 665)
Actuarial (gains)/losses	(378 935)	64 206
Present value of fund obligation at the end of the year	<u>2 331 784</u>	<u>2 326 251</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Sensitivity Analysis on the Accrued Liability on 30 June 2017

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	2.034	0.298	2.332

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	2.297	0.314	2.611	12.00%
Health care inflation	-1%	1.737	0.283	2.020	-13.00%
Post-retirement mortality	-1 year	2.103	0.314	2.418	4.00%
Average retirement age	-1 year	2.272	0.298	2.570	10.00%
Withdrawal Rate	-10%	1.428	0.298	1.726	-26.00%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2018

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	187 500	229 400	416 900

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	212 100	257 100	469 200	13.00%
Health care inflation	-1%	159 300	198 500	357 800	-14.00%
Post-retirement mortality	-1 year	193 800	237 900	431 700	4.00%
Average retirement age	-1 year	200 400	253 000	453 400	9.00%
Withdrawal Rate	-50%	130 300	169 300	299 600	-28.00%

	2017 R	2016 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(378 935)	64 206
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2015 R	2014 R	2013 R
Liabilities: (Gain) / loss	(33 977)	316 030	(33 977)
Assets: Gain / (loss)			
	2017 R	2016 R	

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 86 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R102 485 whereas the Interest Cost for the next year is estimated to be R84 305.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Key actuarial assumptions used:	2017 %	2016 %
i) Rate of interest		
Discount rate	8.34%	8.54%
General Salary Inflation (long-term)	6.16%	7.20%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.05%	1.25%

	2017 R	2016 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 051 024	962 298
Fair value of plan assets	-	-
	<u>1 051 024</u>	<u>962 298</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>1 051 024</u>	<u>962 298</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	962 298	857 516
Total expenses	105 401	104 620
Current service cost	103 797	90 682
Interest Cost	78 958	63 712
Benefits Paid	(77 354)	(49 774)
Actuarial (gains)/losses	(16 675)	162
Present value of fund obligation at the end of the year	<u>1 051 024</u>	<u>962 298</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2017

Assumption	Change	Liability (Rm)	% change
Central assumptions		1.051	
General salary inflation	1%	1.111	6.00%
General salary inflation	-1%	0.996	-5.00%
Average retirement age	-2 yrs	0.971	-8.00%
Average retirement age	2 yrs	1.166	11.00%
Withdrawal rates	-50%	1.272	21.00%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2018

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	102 500	84 300	186 800

The effect of movements in the assumptions are as follows:

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
General salary inflation	1%	109 700	89 300	199 000	7%
General salary inflation	-1%	96 000	79 700	175 700	-6%
Discount rate	1%	96 600	89 100	185 700	-1%
Discount rate	-1%	109 200	78 900	188 100	1%
Average retirement age	-2 yrs	96 700	77 600	174 300	-7%
Average retirement age	+2 yrs	112 500	93 900	206 400	10%
Withdrawal Rate	-50%	136 800	102 700	239 500	28%

2017
R

2016
R

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss
Assets: Gain / (loss)

(16 675) 162
- -

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

2015
R

2014
R

2013
R

Liabilities: (Gain) / loss
Assets: Gain / (loss)

13 538 (11 468) (2 687)
- - -

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

2017
R

2016
R

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 100,6% (30 June 2015 - 100,4%).

Contributions paid recognised in the Statement of Financial Performance

1 022 652

956 310

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

National Fund Municipal Workers
SAMWU National Provident Fund

94 125
794 195

87 847
730 374

888 320

818 222

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
5. CONSUMER DEPOSITS		
Water and Electricity	1 469 914	1 363 884
Total Consumer Deposits	1 469 914	1 363 884

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding amount.

6. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	463 896	445 525
Staff Leave	1 328 707	1 307 578
Current Portion of Non-Current Provisions	124 628	115 994
Current Portion of Post Retirement Benefits - Note 4	43 450	38 640
Current Portion of Long-Service Provisions - Note 4	81 178	77 354
Total Provisions	1 917 231	1 869 097

The movement in current provisions are reconciled as follows:

6.1 Staff Bonuses

Balance at beginning of year	445 525	394 998
Contribution to current portion	1 062 917	932 575
Expenditure incurred	(1 044 546)	(882 048)
Balance at end of year	463 896	445 525

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

6.2 Staff Leave

Balance at beginning of year	1 307 578	1 242 836
Contribution to current portion	143 107	80 549
Expenditure incurred	(121 978)	(15 807)
Balance at end of year	1 328 707	1 307 578

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

7. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	19 834 981	33 528 392
Advance Payments	122 217	909 747
Control, Clearing and Interface Accounts	1 394 632	7 557 804
Total Trade Payables	21 351 830	41 995 944

Payables are being recognised net of any discounts.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
8. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	5 202 286	4 141 952
National Government Grants	238 127	709 314
Provincial Government Grants	4 679 010	3 093 513
District Municipality	285 149	339 125
Other Sources	-	-
Less: Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	5 202 286	4 141 952

See Appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

9. TAXES		
9.1		
VAT Payable	(229 213)	(166 825)
VAT Output in Suspense	(3 152 163)	(2 697 348)
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	(3 381 376)	(2 864 173)
9.2		
VAT Receivable	5 706 268	5 350 346
VAT Input in Suspense	510 765	510 765
Total VAT Receivable	6 217 033	5 861 111
9.3 Net VAT (Payable)/Receivable	2 835 657	2 996 938

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

		2017	2016
		R	R
10	PROPERTY, PLANT AND EQUIPMENT		
	See attached sheet		
	page 1		

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R
10.3 Property, Plant and Equipment which is in the process of being constructed or developed:	
Infrastructure Assets	9 168 733
Roads	2 204 347
Storm Water	-
Electricity	54 162
Water Supply	6 910 224
Sanitation	-
Solid Waste	-
Rail	-
Coastal	-
Information and Communication	-
Community Assets	-
Other Assets	-
Total Property, Plant and Equipment under construction	9 168 733

The municipality has no Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected.

The municipality has no Property, Plant and Equipment where construction or development has

10.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:	
Employee related costs	-
Other materials	438 208
Contracted Services	182 035
Other Expenditure	216 739
Total Repairs and Maintenance	836 983

10.5 Assets pledged as security:

Leased Property, Plant and Equipment of R2 706 692 (2016: R701 674) is secured for leases as set out in Note 3.

	2017 R	2016 R
10.6 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	415 224	9 417 202
Infrastructure	415 224	9 417 202
Total	415 224	9 417 202
This expenditure will be financed from:		
Government Grants	415 224	9 417 202
Total	415 224	9 417 202

11. INVESTMENT PROPERTY

Net Carrying amount at 1 July	2 471 010	2 471 010
Cost	2 471 010	2 471 010
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Impairment loss	-	-
Net Carrying amount at 30 June 2017	2 471 010	2 471 010
Cost	2 471 010	2 471 010
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The municipality has no Investment Property which is in the process of being constructed or developed.

The municipality has no Investment Property that is taking a significantly longer period of time to complete than expected.

The municipality has no Investment Property where construction or development has been halted.

	2017 R	2016 R
12. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	69 701	98 611
Cost	257 743	262 405
Correction of Error - Note 38.2	-	(9 197)
Accumulated Amortisation	(188 042)	(154 597)
Acquisitions	71 463	16 008
Amortisation	(33 509)	(34 703)
Disposals	-	(10 215)
Net Carrying amount at 30 June	107 656	69 701
Cost	329 206	257 743
Accumulated Amortisation	(221 550)	(188 042)

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

The municipality has no Intangible Assets which is in the process of being constructed or

The municipality has no Intangible Assets that is taking a significantly longer period of time to complete than expected.

The municipality has no Intangible Assets where construction or development has been halted.

13. HERITAGE ASSETS		
Net Carrying amount at 1 July	5 400	5 400
Cost	5 400	-
Correction of Error - Note 38.3	-	5 400
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Disposals	-	-
Impairment Loss/ Reversal of Impairment Loss	-	-
Net Carrying amount at 30 June	5 400	5 400
Cost	5 400	5 400
Accumulated Impairment Loss	-	-

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

The municipality has no Heritage Assets which is in the process of being constructed or developed.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The municipality has no Heritage Assets that is taking a significantly longer period of time to complete than expected.

The municipality has no Heritage Assets where construction or development has been halted.

	2017 R	2016 R
14. INVENTORY		
Consumables	78 642	74 989
Water	42 651	19 053
Total Inventory	121 293	94 043

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

Inventories recognise as an expense during the year:

Consumables	1 278 083	981 443
Materials and Supplies	420 747	320 927
Water	-	-
Total	1 698 830	1 302 370

No inventories were pledged as security for liabilities.

15. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	5 928 080	4 707 771
Water	13 732 227	10 763 150
Waste Management	6 002 613	4 829 565
Waste Water Management	3 165 677	2 446 015
Other Arrears	14 480 811	12 719 910
Correction of Error - Note 38.4	-	1 138 725
Total: Receivables from exchange transactions (before provision)	43 309 408	36 605 135
Less: Provision for Debt Impairment	(36 509 756)	(30 542 159)
Total: Receivables from exchange transactions (after provision)	6 799 652	6 062 976

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	389 095	224 891
31 - 60 Days	179 041	153 463
61 - 90 Days	182 309	134 418
+ 90 Days	5 177 635	4 194 998
Total	5 928 080	4 707 771

(Water): Ageing

Current (0 - 30 days)	362 142	281 917
31 - 60 Days	324 713	281 732
61 - 90 Days	298 510	317 442
+ 90 Days	12 746 862	9 882 059
Total	13 732 227	10 763 150

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	140 277	113 713
31 - 60 Days	121 540	106 096
61 - 90 Days	115 786	102 558
+ 90 Days	5 625 010	4 507 198
Total	6 002 613	4 829 565
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	123 779	88 066
31 - 60 Days	97 629	75 079
61 - 90 Days	87 717	66 706
+ 90 Days	2 856 551	2 216 165
Total	3 165 677	2 446 015
<u>(Other): Ageing</u>		
Current (0 - 30 days)	107 872	96 235
31 - 60 Days	105 152	95 885
61 - 90 Days	104 552	94 958
+ 90 Days	14 163 235	12 432 831
Total	14 480 811	12 719 910
<u>(Total): Ageing</u>		
Current (0 - 30 days)	1 123 165	804 822
31 - 60 Days	828 075	712 256
61 - 90 Days	788 874	716 082
+ 90 Days	40 569 294	33 233 251
Total	43 309 408	35 466 410
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	30 542 159	28 729 248
Contribution to provision	5 234 734	1 639 556
VAT on provision	732 863	173 355
Reversal of provision	-	-
Balance at end of year	36 509 756	30 542 159
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	828 075	712 256
2+ months past due	4 848 412	3 407 173
	5 676 487	4 119 429

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes - Rates	19 296 045	15 467 704
Other Receivables	156 749	102 055
Correction of Error - Note 38.5	-	435 758
	19 452 794	16 005 517
Less: Provision for Debt Impairment	(14 599 523)	(12 476 453)
Total Receivables from non-exchange transactions	4 853 271	3 529 064

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	628 067	275 215
31 - 60 Days	264 659	231 942
61 - 90 Days	254 363	391 429
+ 90 Days	18 148 956	14 569 118
Total	19 296 045	15 467 704

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	12 476 453	9 902 367
Contribution to provision	2 123 070	2 574 087
Reversal of provision	-	-
Balance at end of year	14 599 523	12 476 453

The total amount of this provision is R14,995,523 and consist of:

Taxes	14 599 523	12 476 453
Other	-	-
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	14 599 523	12 476 453

Ageing of amounts past due but not impaired:

1 month past due	628 067	275 215
2+ months past due	3 440 388	2 440 821
	4 068 455	2 716 036

The provision for doubtful debts on debtors exists due to the possibility that not all debts will be recovered.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

17. BANK ACCOUNTS

17.1 Cash and Cash Equivalents

Current Accounts	387 420	51 236
Call Deposits and Investments	7 595 653	519 737
Total Cash and Cash Equivalents - Assets	7 983 074	570 973

Current Accounts

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):	387 420	51 236
	387 420	51 236

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
<u>Call Deposits and Investments</u>		
First National Bank - Account Number 62012466018:	10 624	-
First National Bank - Account Number 62182751729:	84 370	-
First National Bank - Account Number 62117682791:	157 095	-
First National Bank - Account Number 74282299369:	273 431	255 378
First National Bank - Account Number 71053360915:	134 172	125 192
First National Bank - Account Number 71059354764:	149 041	139 166
Momentum 3D Gearing Plan - Account Number 1001327535:	6 786 901	-
	7 595 634	519 736
Details of current accounts are as follow:		
<i>First National Bank - Account Number 620 2250 1440 (Primary Bank Account):</i>		
Cash book balance at beginning of year	51 236	136 202
Cash book balance at end of year	387 420	51 236
Bank statement balance at beginning of year	54 927	136 025
Bank statement balance at end of year	352 021	54 927
Details of call investment accounts are as follow:		
<i>First National Bank - Account Number 62012466018:</i>		
Cash book balance at beginning of year	-	1 000
Cash book balance at end of year	10 624	-
Bank statement balance at beginning of year	-	1 000
Bank statement balance at end of year	10 624	-
<i>First National Bank - Account Number 62182751729:</i>		
Cash book balance at beginning of year	-	219 572
Cash book balance at end of year	84 370	-
Bank statement balance at beginning of year	(18)	219 572
Bank statement balance at end of year	84 370	(18)
<i>First National Bank - Account Number 62117682791:</i>		
Cash book balance at beginning of year	-	18 778
Cash book balance at end of year	157 095	-
Bank statement balance at beginning of year	-	18 778
Bank statement balance at end of year	157 095	-
<i>First National Bank - Account Number 62117684606:</i>		
Cash book balance at beginning of year	-	140
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	140
Bank statement balance at end of year	-	-
<i>First National Bank - Account Number 74282299369:</i>		
Cash book balance at beginning of year	255 378	239 800
Cash book balance at end of year	273 431	255 378
Bank statement balance at beginning of year	255 378	239 800
Bank statement balance at end of year	273 431	255 378
<i>First National Bank - Account Number 71053360915:</i>		
Cash book balance at beginning of year	125 192	118 045
Cash book balance at end of year	134 172	125 192
Bank statement balance at beginning of year	125 192	118 045
Bank statement balance at end of year	134 172	125 192

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
<i>First National Bank - Account Number 71059354764:</i>		
Cash book balance at beginning of year	139 166	131 221
Cash book balance at end of year	149 041	139 166
Bank statement balance at beginning of year	139 166	131 221
Bank statement balance at end of year	149 041	139 166
<i>Momentum 3D Gearing Plan - Account Number 1001327535:</i>		
Cash book balance at beginning of year	-	(11)
Cash book balance at end of year	6 786 901	-
Bank statement balance at beginning of year	-	(11)
Bank statement balance at end of year	6 786 901	-

18. PROPERTY RATES

Actual

Rateable Land and Buildings	8 345 655	7 278 406
<u>Less:</u> Revenue Forgone	(1 670 205)	(1 530 983)
Total Property Rates	6 675 450	5 747 423

Valuations - 1 July 2016

Rateable Land and Buildings	1 362 638 300	1 361 168 800
Business and Commercial Property	32 619 300	32 682 300
Industrial Property	3 458 500	3 458 500
Mining Properties	68 500 100	68 500 100
Municipal Properties	16 245 100	16 354 300
Protected Areas	5 159 000	5 159 000
Public Benefit Organisations	15 229 300	19 309 100
Public Service Infrastructure Properties	182 800	182 800
Residential Properties	203 615 200	202 451 200
State - National/ Provincial Services	67 983 900	68 213 200
Agricultural Purposes	873 668 100	873 668 100
Multiple Purposes	4 786 800	-
Other Categories	71 190 200	71 190 200
<u>Less:</u> Revenue Forgone		
Total Assessment Rates	1 362 638 300	1 361 168 800

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.3445c/R	1.261286c/R
Commercial	2.0167c/R	1.891929c/R
Agricultural	0,05646c/R	0.052968c/R
State	3.3613c/R	3.153215c/R
Industrial	2.0167c/R	1.891929c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at a rate determined by the council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R15 000 on the valuation is exempted.
Public Benefit Organisations	- 100%
State	- 30%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
19. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>	18 175 314	17 563 000
Equitable Share	18 175 314	17 563 000
<u>Conditional</u>	11 353 548	11 166 637
Local Government Financial Management Grant [Schedule 5B]	2 010 000	1 611 681
Municipal Systems Improvement Grant [Schedule 5B]	-	98 741
Library	378 689	265 024
Expanded Public Works Programme	469 448	205 761
Namakwa DM	327 537	183 768
Municipal Infrastructure Grant [Schedule 5B]	8 167 873	7 460 000
Energy Efficiency and Demand-side [Schedule 5B]	-	380 008
Accelerated Community Infrastructure Programme	-	961 654
Total Government Grants and Subsidies	29 528 861	28 729 637
Government Grants and Subsidies - Operating	20 564 003	19 561 014
Government Grants and Subsidies - Capital	8 964 858	9 168 623
Total Government Grants and Subsidies	29 528 861	28 729 637
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	18 175 314	17 563 000
Grants and Donations	-	-
Executive and Council	-	-
Budget and Treasury Office	10 505 410	9 354 190
Corporate Services	378 689	265 024
Road Transport	469 448	205 761
Electricity	-	380 008
Waste Management	-	961 654
Total Government Grants and Subsidies	29 528 861	28 729 637
Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.		
19.1 <u>Equitable Share</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	18 175 314	10 127 000
Interest received	-	-
Repaid to National Revenue Fund	-	7 436 000
Conditions met - Operating	(18 175 314)	(17 563 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
19.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	263 319	-
Correction of Error	-	-
Grants received	2 010 000	1 875 000
Interest received	-	-
Repaid to National Revenue Fund	(263 319)	-
Conditions met - Operating	(2 010 000)	(1 611 681)
Conditions met - Capital	-	-
Conditions still to be met	-	263 319

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

19.3 <u>Municipal Systems Improvement Grant (MSIG)</u>		
Opening balance	161 198	542 555
Correction of Error	-	-
Grants received	-	930 000
Repaid to National Revenue Fund	(161 198)	(1 212 616)
Conditions met - Operating	-	(98 741)
Conditions met - Capital	-	-
Conditions still to be met	-	161 198

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

19.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	6 223 384
Correction of Error	-	-
Grants received	8 406 000	7 460 000
Interest received	-	-
Repaid to National Revenue Fund	-	(6 223 384)
Conditions met - Operating	-	-
Conditions met - Capital	(8 167 873)	(7 460 000)
Conditions still to be met	238 127	-

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

19.5 <u>Integrated National Electrification Grant</u>		
Opening balance	284 796	164 805
Correction of Error	-	-
Grants received	-	500 000
Interest received	-	-
Repaid to National Revenue Fund	(284 796)	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(380 008)
Conditions still to be met	-	284 796

The grant was used to promote rural development and upgrade electricity infrastructure.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
19.6 <u>Expanded Public Works Programme (EPWP)</u>		
Opening balance	846 759	1 052 520
Correction of Error	-	-
Grants received	1 000 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(469 448)	(205 761)
Conditions still to be met	<u>1 377 311</u>	<u>846 759</u>
The grant was used for job creation.		
19.7 <u>Department Water Affairs and Environment (DWAF)</u>		
Opening balance	141 362	141 362
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>141 362</u>	<u>141 362</u>
The grant was used for the refurbishment of water infrastructure.		
19.8 <u>Library Grant</u>		
Opening balance	1 322 784	622 808
Correction of Error	-	-
Grants received	1 317 000	965 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(378 689)	(265 024)
Conditions met - Capital	-	-
Conditions still to be met	<u>2 261 094</u>	<u>1 322 784</u>
The grant was used to finance library activities.		
19.9 <u>Project Nala</u>		
Opening balance	620 180	620 180
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>620 180</u>	<u>620 180</u>
The grant was used for job creation.		
19.10 <u>Department Finance, Economic Development & Tourism</u>		
Opening balance	100 000	100 000
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>100 000</u>	<u>100 000</u>
The grant will be used for the Power Flower Run.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
19.11 <u>Tourism</u>		
Opening balance	31 275	31 275
Correction of Error	-	-
Grants received	116 635	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>147 909</u>	<u>31 275</u>
The grant was used for tourism activities.		
19.12 <u>Department Social Services</u>		
Opening balance	482	482
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>482</u>	<u>482</u>
The grant was used for various projects.		
19.13 <u>Department Sport, Arts and Culture</u>		
Opening balance	6 262	6 262
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>6 262</u>	<u>6 262</u>
The grant was used for various related projects.		
19.14 <u>Drought Relief</u>		
Opening balance	24 409	24 409
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>24 409</u>	<u>24 409</u>
The grant was used for drought relief.		
19.15 <u>Accelerated Community Infrastructure Programme (ACIP)</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	961 654
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(961 654)
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used for drought relief.		

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
19.16 Namakwa DM		
Opening balance	339 125	324 125
Correction of Error	-	-
Grants received	273 561	198 768
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(22 568)
Conditions met - Capital	(327 537)	(161 200)
Conditions still to be met	<u>285 149</u>	<u>339 125</u>
The grant was used for various projects.		
19.17 Total Grants		
Opening balance	4 141 952	9 854 167
Correction of Error	-	-
Grants received	31 298 509	23 017 422
Interest received	-	-
Repaid to National Revenue Fund	(709 314)	-
Conditions met - Operating	(20 564 003)	(19 561 014)
Conditions met - Capital	(8 964 858)	(9 168 623)
Conditions still to be met/(Grant expenditure to be recovered)	<u>5 202 286</u>	<u>4 141 952</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	5 202 286	4 141 952
Unpaid Conditional Government Grants and Receipts	-	-
Total	<u>5 202 286</u>	<u>4 141 952</u>
20. PUBLIC CONTRIBUTIONS AND DONATIONS		
Public Contributions - Unconditional - De Beers	-	-
Public Contributions - Unconditional - Other	31 023 090	94 372
Total Public Contributions and Donations	<u>31 023 090</u>	<u>94 372</u>
21. SERVICE CHARGES		
Electricity	7 607 534	5 053 735
Water	4 391 392	2 838 052
Waste Management	2 095 015	1 655 554
Waste Water Management	1 573 363	1 148 269
Total Service Charges	<u>15 667 304</u>	<u>10 695 611</u>
Less: Revenue Forgone	<u>(1 929 693)</u>	<u>(1 757 411)</u>
	<u>13 737 610</u>	<u>8 938 200</u>
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
22. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	8 920	13 359
Camping Fees	6 890	22 533
Cemetery and Burial	5 315	5 502
Photocopies and Faxes	10 020	16 884
Sale of Goods	650 542	593 487
Total Sales of Goods and Rendering of Services	<u>681 688</u>	<u>651 764</u>
23. RENTAL FROM FIXED ASSETS		
Heritage Assets	-	-
Investment Property	132 976	240 476
Property, Plant and Equipment	59 163	40 175
Total Rental from Fixed Assets	<u>192 139</u>	<u>280 652</u>

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
24. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	885 060	141 101
Total Interest Earned - External Investments	885 060	141 101
25. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Trade Receivables	1 505 275	1 369 600
Other Receivables	1 968 428	1 934 221
Total Interest Earned - Outstanding Receivables	3 473 703	3 303 821
26. OPERATIONAL REVENUE		
Discounts and Early Settlements	3 266 524	291 136
Insurance Refund	-	120 758
Staff Recoveries	-	30
Sale of Property	17 788	16 141
Skills Development Levy Refund	63 623	9 452
Total Operational Revenue	3 347 935	437 517
27. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	13 582 464	11 896 618
Pension and UIF Contributions	1 907 485	1 716 162
Medical Aid Contributions	617 551	461 916
Overtime	748 207	580 341
Bonuses	1 033 948	932 575
Motor Vehicle Allowance	639 809	652 278
Cellphone Allowance	59 136	55 012
Housing Allowances	150 220	140 250
Other benefits and allowances	916 261	632 206
Payments in lieu of leave	143 107	80 549
Contribution to provision - Long Service Awards - Note 4	103 797	90 682
Contribution to provision - Post Retirement Medical - Note 4	(103 797)	(90 682)
	19 798 187	17 147 906
Less: Employee Costs allocated elsewhere	-	-
Total Employee Related Costs	19 798 187	17 147 906
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr JG Cloete (Acting)</i>		
Basic Salary	623 353	619 115
Contributions to UIF, Medical and Pension Funds	30 250	10 003
Allowances	311 094	281 017
Total	964 697	910 135
<i>Remuneration of the Chief Financial Officer - Mr RC Beukes</i>		
Basic Salary	344 773	335 269
Contributions to UIF, Medical and Pension Funds	80 225	79 214
Allowances	205 473	113 211
Performance Bonus	-	26 740
Total	630 470	554 435
<i>Remuneration of Manager: Corporate Services - Mrs DC Beukes</i>		
Basic Salary	319 977	291 805
Contributions to UIF, Medical and Pension Funds	91 039	94 032
Allowances	70 059	86 077
Performance Bonus	-	22 301
Total	481 076	494 215

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
Remuneration of Manager: Technical Services - Mr FA Links		
Basic Salary	315 283	293 103
Contributions to UIF, Medical and Pension Funds	96 502	95 109
Allowances	158 199	117 778
Performance Bonus	-	24 441
Total	569 984	530 431

28. REMUNERATION OF COUNCILLORS

PJ Willems	234 964	215 402
HG Links	27 496	222 685
MJ Cloete	731 091	818 268
MS Joseph	27 081	219 331
EA Steenkamp	27 083	221 480
SC Nero	234 964	221 465
MR Klaase	-	172 365
S Engelbrecht	30 932	35 005
LE Petersen	208 632	-
MC Rooi	210 700	-
CC Kordom	210 700	-
RO Adams	210 700	-
Total Councillors' Remuneration	2 154 343	2 126 003

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	424 116	177 560	20 882	108 534	731 091
Councillors	879 032	321 621	126 710	95 889	1 423 252
Total Councillors' Remuneration	1 303 148	499 181	147 592	204 422	2 154 343

29. CONTRACTED SERVICES

Outsourced Services	48 193	26 428
Consultants and Professional Services	3 139 896	2 150 519
Contractors	839 589	431 853
Total Contracted Services	4 027 678	2 608 800

30. DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	1 591 711	8 741 633
Intangible Assets	33 509	26 406
Correction of Error - Note 38.7	-	90 693
Total Depreciation and Amortisation	1 625 220	8 858 731

31. FINANCE COSTS

Long-term Borrowings	162 127	161 307
Non-current Provisions	1 767 613	1 509 005
Non-current Employee Benefits	297 761	238 642
Payables	729 378	2 196 312
Total Finance Costs	2 956 879	4 105 266

32. BULK PURCHASES

Electricity	10 449 693	8 530 406
Water	202 816	178 652
Total Bulk Purchases	10 652 509	8 709 058

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
33. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	229 791	146 166
Audit Fees	2 105 602	2 008 203
Bank Charges, Facility and Card Fees	125 018	65 792
Communication	843 509	780 254
Entertainment	16 713	2 150
Insurance Underwriting	333 068	330 911
Licences	276 500	29 320
Printing, Publications and Books	116 532	122 206
Professional Bodies, Membership and Subscription	12 505	505 578
Signage	-	2 454
Skills Development Fund Levy	170 808	154 021
Travel and Subsistence	276 262	143 657
Uniform and Protective Clothing	44 772	-
Correction of Error - Note	-	(25 579)
Total Operational Costs	4 551 081	4 265 132
34. (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS ON RECEIVABLES		
Receivables from Exchange Transactions - Note 15	5 234 734	1 639 556
Receivables from Non-exchange Revenue - Note 16	2 123 070	2 574 087
Total (Impairment Loss)/ Reversal of Impairment Loss on Receivables	7 357 804	4 213 642
35. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, plant and equipment	(322 882)	(182 322)
Correction of Error - Note 38.7	-	(578 445)
Total Gains/(Loss) on Sale of Fixed Assets	(322 882)	(760 768)
36. (IMPAIRMENT LOSS)/REVERSAL OF IMPAIRMENT LOSS ON FIXED ASSETS		
Property, Plant and Equipment	(26 627)	138 624
Total (Impairment Loss)/ Reversal of Impairment Loss on Fixed Assets	(26 627)	138 624

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

37. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has started with a process during the year to align items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2016 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Accumulated Surplus/(Deficit)	53 020 069	-	53 020 069
Long-term Liabilities	565 265	(565 265)	-
Long-term Borrowings	-	565 265	565 265
Non-current Provisions	17 743 591	-	17 743 591
Non-current Employee Benefits	3 172 555	-	3 172 555
Consumer Deposits	1 363 884	-	1 363 884
Current Employee Benefits	1 869 097	-	1 869 097
Payables from exchange transactions	41 995 944	(41 995 944)	-
Trade and Other Payables from exchange transactions	-	41 995 944	41 995 944
Unspent Conditional Government Grants and Receipts	4 141 952	(4 141 952)	-
Transfers and Subsidies Payable	-	4 141 952	4 141 952
Current Portion of Long-term Liabilities	182 978	-	182 978
Property, Plant and Equipment	109 807 404	-	109 807 404
Investment Property	2 471 010	-	2 471 010
Intangible Assets	97 410	-	97 410
Inventory	94 043	-	94 043
Receivables from exchange transactions	4 924 251	-	4 924 251
Receivables from non-exchange transactions	3 093 306	-	3 093 306
Taxes	2 996 938	-	2 996 938
Cash and Cash Equivalents	570 973	-	570 973
		-	
Statement of Financial Performance			
Property Rates	5 747 423	-	5 747 423
Government Grants and Subsidies	28 729 637	-	28 729 637
Public Contributions and Donations	94 372	-	94 372
Fines	6 226	(6 226)	-
Fines, Penalties and Forfeits	-	6 226	6 226
Service Charges	8 938 200	-	8 938 200
Sales of Goods and Rendering of Services	-	651 764	651 764
Rental of Facilities and Equipment	280 652	(280 652)	-
Rental from Fixed Assets	-	280 652	280 652
Interest Earned - external investments	141 101	-	141 101
Interest Earned - outstanding receivables	3 303 821	-	3 303 821
Licences and Permits	130 022	-	130 022
Income for Agency Services	375 758	(375 758)	-
Agency Services	-	375 758	375 758
Other Income	1 089 281	(1 089 281)	-
Operational Revenue	-	437 517	437 517
Employee related costs	(17 412 552)	(13 349)	(17 425 901)
Remuneration of Councillors	(2 293 373)	167 370	(2 126 003)
Debt Impairment	(4 213 642)	4 213 642	-
Contracted Services	(194 231)	(2 414 569)	(2 608 800)
Depreciation and Amortisation	(8 768 038)	-	(8 768 038)
Actuarial Losses	(64 369)	-	(64 369)
Finance Costs	(4 105 266)	-	(4 105 266)
Bulk Purchases	(8 709 058)	-	(8 709 058)
Inventory Consumed	-	(1 302 370)	(1 302 370)
Repairs and Maintenance	(519 676)	519 676	-
Other Operating Grant Expenditure	(1 807 284)	1 807 284	-
General Expenses	(5 526 668)	5 526 668	-
Operational Costs	-	(4 290 711)	(4 290 711)
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
(Impairment loss)/Reversal of impairment loss	138 624	(138 624)	-
(Impairment Loss)/Reversal of Impairment Loss on Receivables	-	(4 213 642)	(4 213 642)
Gains/(Loss) on Sale of Assets	(182 322)	-	(182 322)
Gains/(Loss) on Sale of Fixed Assets	-	138 624	138 624
Net Surplus/(Deficit) for the year	(4 821 362)	-	(4 821 363)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
38. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
38.1 Property, Plant and Equipment		
Balance previously reported	-	109 807 404
Cost	-	2 556 992
Correct Lease Assets for periods before 1 July 2015 - Note 10.2	-	(1 776)
Other Assets not recognised in periods before 1 July 2015 - Note 10.2	-	3 161 443
Other Assets not recognised in 2015/2016 - Note 10.2	-	25 579
Disposal Other Assets not recognised in 2015/2016 - Note 10.2	-	(628 255)
Accumulated Depreciation	-	(1 582 837)
Backlog Depreciation Leased Assets periods before 1 July 2015 - Note 10.2	-	7 684
Backlog Depreciation Leased Assets in 2015/2016 - Note 10.2	-	5 804
Disposal Other Assets not recognised in 2015/2016 - Note 10.2	-	60 024
Backlog Depreciation Other Assets periods before 1 July 2015 - Note 10.2	-	(1 568 150)
Backlog Depreciation Other Assets in 2015/2016 - Note 10.2	-	(88 199)
Restated Balance	-	110 781 558
Correction of prior year Property, Plant and Equipment misstatements.		
38.2 Intangible Assets		
Balance previously reported	-	97 410
Cost	-	(20 670)
Disposals not recognised in 2015/2016 - Note 12	-	(20 670)
Accumulated Amortisation	-	(7 039)
Disposals not recognised in 2015/2016 - Note 12	-	10 455
Backlog Amortisation for periods before 1 July 2015 - Note 12	-	(9 197)
Backlog Amortisation for 2015/2016 - Note 12	-	(8 297)
Restated Balance	-	69 701
Correction of prior year Intangible Assets misstatements.		
38.3 Heritage Assets		
Balance previously reported	-	-
Heritage Assets not recognised in prior years - Note 13	-	5 400
Restated Balance	-	5 400
Heritage Assets not recognised in prior years.		
38.4 Receivables from Exchange Transactions		
Balance previously reported	-	4 924 251
Correction of receivables opening balances - Electricity	-	433 877
Correction of receivables opening balances - Refuse	-	111 836
Correction of receivables opening balances - Other receivables	-	54 967
Correction of receivables opening balances - Sewerage	-	70 401
Correction of receivables opening balances - Water	-	467 644
Restated Balance	-	6 062 976
Correction of debtors opening balances.		
38.5 Receivables from Non-Exchange Transactions		
Balance previously reported	-	3 093 306
Correction of receivables opening balances - Property rates	-	435 758
Restated Balance	-	3 529 064
Correction of debtors opening balances.		

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
38.6 Accumulated Surplus/(Deficit) - 1 July 2015		
Correct Lease Assets for periods before 1 July 2015 - Note 38.1	-	(1 776)
Backlog Depreciation Leased Assets periods before 1 July 2015 - Note 38.1	-	7 684
Other Assets not recognised in periods before 1 July 2015 - Note 38.1	-	3 161 443
Backlog Depreciation Other Assets periods before 1 July 2015 - Note 38.1	-	(1 568 150)
Backlog Amortisation for periods before 1 July 2015 - Note 38.3	-	(9 197)
Heritage Assets not recognised in prior years - Note 38.4	-	5 400
Correction of opening balances of Receivables from Exchange Transactions - Note 38.5	-	1 138 725
Correction of opening balances of Receivables from Non-Exchange Transactions - Note 38.6	-	435 758
Total	-	3 169 887

38.7 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates		5 747 423	-	5 747 423
Government Grants and Subsidies		28 729 637	-	28 729 637
Public Contributions and Donations		94 372	-	94 372
Contributed Property, Plant and Equipment		-	-	-
Fines, Penalties and Forfeits		6 226	-	6 226
Service Charges		8 938 200	-	8 938 200
Sales of Goods and Rendering of Services		651 764	-	651 764
Rental from Fixed Assets		280 652	-	280 652
Interest Earned - external investments		141 101	-	141 101
Interest Earned - outstanding receivables		3 303 821	-	3 303 821
Licences and Permits from Exchange Transactions		130 022	-	130 022
Agency Services		375 758	-	375 758
Operational Revenue		437 517	-	437 517
Total		48 836 492	-	48 836 492
Expenditure				
Employee related costs		(17 425 901)	-	(17 425 901)
Remuneration of Councillors		(2 126 003)	-	(2 126 003)
Contracted Services		(2 608 800)	-	(2 608 800)
Depreciation and Amortisation	38.1 & 38.2	(8 768 038)	(90 693)	(8 858 731)
Finance Costs		(4 105 266)	-	(4 105 266)
Bulk Purchases		(8 709 058)	-	(8 709 058)
Inventory Consumed		(1 302 370)	-	(1 302 370)
Operational Costs	38.1	(4 290 711)	25 579	(4 265 132)
Total		(49 400 515)	(65 114)	(49 465 629)
Gains and Losses				
(Impairment Loss)/Reversal of Impairment Loss on Receivables		(4 213 642)	-	(4 213 642)
Gains/(Loss) on Sale of Fixed Assets	38.1 & 38.2	(182 322)	(578 445)	(760 768)
(Impairment Loss)/Reversal of Impairment Loss on Fixed Assets		138 624	-	138 624
Total		(4 257 340)	(578 445)	(4 835 786)
Net Surplus/(Deficit) for the year		(4 821 363)	(643 559)	(5 464 922)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
39. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	35 015 926	(5 464 922)
Adjustments for:		
Depreciation and Amortisation	1 625 220	8 858 531
Loss/(Gain) on Sale of Fixed Assets	322 882	578 445
Impairment Loss/(Reversal of Impairment Loss)	26 627	-
Government Grants and Subsidies received	30 589 195	23 017 422
Government Grants and Subsidies recognised as revenue	(29 528 861)	(28 729 637)
Change in Provision for Rehabilitation Cost	1 767 613	1 509 005
Contribution from/to provisions - Current Employee Benefits	1 206 023	1 013 124
Contribution from/to provisions - Non-Current Employee Benefits	536 708	427 197
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	-	64 369
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(442 449)	-
Contribution to provisions – Bad Debt	7 357 804	4 386 998
Operating lease income accrued	-	6
Operating Surplus/(Deficit) before changes in working capital	48 476 689	5 660 538
Changes in working capital	(31 095 294)	2 390 185
Increase/(Decrease) in Trade and Other Payables	(20 644 114)	10 221 170
Increase/(Decrease) in Employee Benefits	(1 166 523)	(897 855)
Increase/(Decrease) in Taxes	161 281	(1 338 919)
(Increase)/Decrease in Inventory	(27 250)	(12 048)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(5 971 410)	(1 861 402)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(3 447 277)	(3 720 762)
Cash generated/(absorbed) by operations	17 381 395	8 050 722
40. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 17	387 420	51 236
Call Deposits and Investments - Note 17	7 595 653	519 737
Total cash and cash equivalents	7 983 074	570 973
41. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents	7 983 074	570 973
Less:	(5 202 286)	(4 141 952)
Unspent Transfers and Subsidies	(5 202 286)	(4 141 952)
Net cash resources available for internal distribution	2 780 787	(3 570 979)
Allocated to:		
Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Reserve	-	-
Resources available for working capital requirements	2 780 787	(3 570 979)
42. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities	2 755 501	748 243
Used to finance property, plant and equipment - at cost	(2 755 501)	(748 243)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management		

43. BUDGET INFORMATION

43.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, current economic climate and drought, new finance leases and incorrect Balance Sheet budgeting.

Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

43.2.1 Current Assets

Cash

Surplus funds were invested.

Call Investment Deposits

Call Investments Deposits budget incorrectly under Investments in budget.

Consumer Debtors

Provision for debt impairment not offset against consumer debtors in budget.

Other Debtors

Other Debtors included under Consumer Debtors in budget.

Inventory

Inventory not included in budget.

43.2.2 Non-Current Assets

Investments

Call Investments Deposits budget incorrectly under Investments in budget.

Investment Property

Reconstructing of asset register.

Property, Plant and Equipment

Reconstructing of asset register.

Intangible Assets

Reconstructing of asset register.

43.2.3 Current Liabilities

Borrowing

New finance leases not included in budget.

Consumer Deposits

Consumer Deposits not included in budget.

Trade and Other Payables

Decreasing in Payables on year-end.

Provisions

Non-current Provisions included under current Provisions in budget.

43.2.4 Non-Current Liabilities

Borrowing

New finance leases not included in budget.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Provisions

Non-current Provisions included under current Provisions in budget.

43.2.5 Net Assets

Accumulated Surplus/(Deficit)

Net result of all deviations.

Statement of Financial Performance

43.2.6 Revenue

Property Rates

Revenue Forgone not offset against Property Rates.

Service Charges - Electricity Revenue

Decrease due to current economic climate and drought.

Service Charges - Sanitation Revenue

Increase in sewerage pumpings.

Service Charges - Refuse Revenue

Decrease due to current economic climate and drought.

Rental of Facilities and Equipment

Increase in rental of properties.

Interest Earned - External Investments

Increase in cash investments.

Interest Earned - Outstanding Debtors

Increase in outstanding accounts.

Licences and Permits

Road Agency function not taken away from municipality.

Agency Services

Road Agency function not taken away from municipality.

Transfers Recognised - Operational

Additional contribution received from De Beers Consolidated Mines.

Other Revenue

Discount received from Auditor-General.

43.2.7 Expenditure

Employee Related Costs

Filling of vacant posts.

Debt Impairment

Increase in debt impairment.

Depreciation and Asset Impairment

Reconstructing of asset register.

Finance Charges

Finance Cost for Non-Current Provisions and Non-Current Employee Benefits not included in budget.

Bulk Purchases

Decrease in Service Charges.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Other Materials

Reallocation of repairs and maintenace per nature of transaction.

Contracted Services

Reallocation of expenditure per nature of transaction.

Transfers and Grants

Income Forgone not offset against Property Rates.

Other Expenditure

Reallocation of expenditure per nature of transaction.

Cash Flow Statement

43.2.8 Net Cash from Operating Activities

Taxation

Actual cash flow not taken into account in budget.

Service Charges

Actual cash flow not taken into account in budget.

Interest

Interest on Receivables included under interest in budget.

Suppliers and Employees

Actual cash flow not taken into account in budget.

Finance costs

Interest paid to Creditors not included in budget.

Transfers and Grants

Income Forgone not offset against Property Rates.

43.2.9 Net Cash from Investing Activities

Capital Assets

Capital expenditure not included in budget.

43.2.10 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Consumer Deposits not included in budget.

Repayment of Borrowing

New finance leases not included in budget.

	2017 R	2016 R
44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
44.1 <u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure:		
Opening balance	118 490 058	107 490 957
Unauthorised expenditure current year - operational	9 242 577	10 097 852
Unauthorised expenditure current year - capital	6 674 776	901 249
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	134 407 411	118 490 058

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

			2017 R	2016 R
Unauthorised expenditure can be summarised as follow:				
Incident		Disciplinary steps/criminal proceedings		
Over expenditure of approved budget - 2010		To be condoned by Council	29 684	29 684
Over expenditure of approved budget - 2011		To be condoned by Council	28 371 069	28 371 069
Over expenditure of approved budget - 2012		To be condoned by Council	16 738 583	16 738 583
Over expenditure of approved budget - 2013		To be condoned by Council	25 203 509	25 203 509
Over expenditure of approved budget - 2014		To be condoned by Council	18 978 632	18 978 632
Bank Shortages - 2011		None	28 274	28 274
Fraud Vehicle Registration - 2011		None	78 504	78 504
Withdrawal by former CFO, EB Toontjies - 2011		None	6 800	6 800
Over expenditure of approved budget - 2015		None	18 055 902	18 055 902
Over expenditure of approved budget - 2016		None	10 999 101	10 999 101
Over expenditure of approved budget - 2017		None	15 917 353	-
			134 407 412	118 490 058
	2017 Actual R	2017 Final Budget R	2017 Variance R	2017 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and Council	4 530 539	5 101 000	-	-
Finance and Administration	25 065 588	21 149 000	3 916 588	3 916 588
Community and Social Services	-	-	-	-
Sport and Recreation	162 127	-	162 127	162 127
Waste Management	6 748 107	2 075 000	4 673 107	4 673 107
Water	2 715 401	3 210 000	-	-
Electricity	11 571 878	13 313 000	-	-
Economic Development	1 660 238	2 710 000	-	-
Technical and Roads	2 676 755	2 186 000	490 755	490 755
Waste Water Management	-	3 989 000	-	-
	55 130 633	53 733 000	9 242 577	9 242 577
	2017 Actual R	2017 Final Budget R	2017 Variance R	2017 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and Council	2 358 389	-	2 358 389	2 358 389
Finance and Administration	296 010	-	296 010	296 010
Community and Social Services	-	-	-	-
Sport and Recreation	-	-	-	-
Waste Management	1 502 418	-	1 502 418	1 502 418
Water	6 910 224	7 206 000	-	-
Electricity	54 162	-	54 162	54 162
Economic Development	-	-	-	-
Technical and Roads	2 463 797	-	2 463 797	2 463 797
Waste Water Management	-	-	-	-
	13 585 001	7 206 000	6 674 776	6 674 776
			2017 R	2016 R
44.2 Fruitless and wasteful expenditure				
Reconciliation of fruitless and wasteful expenditure:				
Opening balance			4 592 537	2 148 378
Fruitless and wasteful expenditure current year			1 909 074	2 444 160
Condoned or written off by Council			-	-
Transfer to receivables for recovery - not condoned			-	-
Fruitless and wasteful expenditure awaiting condonement			6 501 611	4 592 537

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

		2017 R	2016 R
Fruitless and wasteful expenditure can be summarised as follow:			
Incident	Disciplinary steps/criminal proceedings		
Legal Cost (Hondekliipbaai Stands) - 2011	None	199 191	199 191
Interest on late payment - Various Creditors - 2011	None	417 306	417 306
Interest on late payment - Various Creditors - 2012	None	172 301	172 301
Interest on late payment - Various Creditors - 2014	None	255 946	255 946
Interest on late payment - Various Creditors - 2015	None	537 535	537 535
Salary paid to employee J Links after he was dismissed	None	8 417	8 417
Interest and penalties paid to SARS - 2014	None	204 546	204 546
Interest and penalties paid to SARS - 2015	None	353 136	353 136
Interest and penalties paid to SARS - 2016	None	286 069	-
Interest paid to various suppliers - 2016	None	2 444 160	2 444 160
Interest paid to various suppliers - 2017	None	1 623 005	-
		6 501 611	4 592 537

44.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	9 951 371	8 989 453
Irregular expenditure current year	322 443	961 918
Expenditure authorised i.t.o. Section 32 of MFMA		-
Condonement supported by council		-
Transfer to receivables for recovery - not condoned		-
Irregular expenditure awaiting further action	10 273 814	9 951 371

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Expenditure contrary to SCM Processes - 2010	None	3 715 210	3 715 210
Expenditure contrary to SCM Processes - 2012	None	2 661 945	2 661 945
Expenditure contrary to SCM Processes - 2017	None	322 443	-
Preference point system not used for bids between R30 000 and R200 000	None	1 935 162	1 935 162
Tax Reference numbers not obtained for transactions between R10 000 - R30 000	None	1 349 975	1 349 975
No declaration of interest forms (MBD4)	None	55 979	55 979
Expenditure contrary to SCM Processes - 2016	None	233 100	233 100
		10 273 814	9 951 371

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

45. **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

45.1 **Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**

Opening balance	2 440 648	1 940 648
Council subscriptions	5 857	500 000
Amount paid - current year	(384 946)	-
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	2 061 560	2 440 648

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
45.2 Audit fees - [MFMA 125 (1)(c)]		
Opening balance	7 152 100	5 013 124
Current year audit fee	3 018 566	2 826 726
External Audit - Auditor-General	2 400 386	2 270 511
Interest	618 179	556 215
Amount paid - current year	(200 000)	(37 750)
Amount paid - previous year		-
Credit note	(3 668 975)	(650 000)
Balance unpaid (included in creditors)	6 301 691	7 152 100

45.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the payment basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 9.

45.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	4 985 306	2 697 098
Current year payroll deductions	2 479 449	2 288 209
Amount paid - current year	(6 631 193)	-
Balance unpaid (included in creditors)	833 562	4 985 306

45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	2 018 266	723 510
Current year payroll deductions and Council Contributions	4 057 559	3 686 458
Amount paid - current year	(2 828 264)	(1 730 199)
Amount paid - previous year	(1 975 845)	(661 503)
Balance unpaid (included in creditors)	1 271 716	2 018 266

45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2017:

	Outstanding more than 90 days
CC Kordom	1 093
MC Rooi	35 320
R Adams	13 102

45.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Single Supplier	Type of Deviation		
			Impossible	Impractical	Emergency
July	143 370	65 000	-	78 370	-
August	129 363	49 996	-	79 367	-
September	113 037	40 000	-	73 037	-
October	229 940	40 000	-	189 940	-
November	176 212	63 700	-	112 512	-
December	95 534	75 000	-	20 534	-
January	65 104	40 000	-	25 104	-
February	139 305	60 000	-	79 305	-
March	87 831	62 076	-	25 755	-
April	93 976	60 000	-	33 976	-
May	113 225	95 000	-	18 225	-
June	97 773	50 000	-	47 773	-
	1 484 668	700 772	-	783 896	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
45.8 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	6 080 838	5 657 286
Units lost during distribution (Kwh)	621 840	838 163
Percentage lost during distribution	10.23%	14.82%
Distribution loss (Rand Value)	1 761 300	778 958

The reason for the increase in electricity losses is due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

Water distribution losses

Units purchased (kl)	206 339	284 770
Units lost during distribution (kl)	14 414	45 252
Percentage lost during distribution	6.99%	15.89%
Distribution loss (Rand Value)	146 715	460 602

Normal pipe bursts and field leakages are responsible for water losses.

46. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2017 R	2016 R
1% (2016: 1%) Increase in interest rates	52 276	1 773
1% (2016: 1%) Decrease in interest rates	(52 276)	(1 773)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 15 and 16 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2017 %	2017 R	2016 %	2016 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	19 296 045	100.00%	15 467 704
<u>Exchange Receivables</u>				
Electricity	13.69%	5 928 080	12.86%	4 707 771
Water	31.71%	13 732 227	29.40%	10 763 150
Waste Management	13.86%	6 002 613	13.19%	4 829 565
Waste Water Management	7.31%	3 165 677	6.68%	2 446 015
Other	33.44%	14 480 811	37.86%	13 858 635
	100.00%	43 309 408	100.00%	36 605 135

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 15 and 16 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2017 %	2017 R	2016 %	2016 R
<u>Non-exchange Receivables</u>				
Rates	28.57%	14 599 523	29.00%	12 476 453
<u>Exchange Receivables</u>				
Services	71.43%	36 509 756	71.00%	30 542 159
	100.00%	51 109 279	100.00%	43 018 613

Ageing of amounts past due but not impaired are as follow:

2017

1 month past due	828 075	628 067
2+ months past due	4 848 412	3 440 388
	5 676 487	4 068 455

2016

1 month past due	712 256	275 215
2+ months past due	3 407 173	2 440 821
	4 119 429	2 716 036

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2017 R	2016 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	43 309 408	36 605 135
Receivables from non-exchange transactions	19 452 794	16 005 517
Cash and Cash Equivalents	7 983 074	570 973
	<u>70 745 276</u>	<u>53 181 625</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2017				
Long-term Liabilities	1 106 490	2 196 252	-	-
Trade and Other Payables	21 351 830	-	-	-
	<u>22 458 319</u>	<u>2 196 252</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2016				
Long-term Liabilities	284 232	720 795	-	-
Trade and Other Payables	41 995 944	-	-	-
	<u>42 280 176</u>	<u>720 795</u>	<u>-</u>	<u>-</u>

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

		2017 R	2016 R
47. FINANCIAL INSTRUMENTS			
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
47.1 Financial Assets	<u>Classification</u>		
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	5 928 080	4 707 771
Water	Financial Instruments at amortised cost	13 732 227	10 763 150
Waste Management	Financial Instruments at amortised cost	6 002 613	4 829 565
Waste Water Management	Financial Instruments at amortised cost	3 165 677	2 446 015
Other Arrears	Financial Instruments at amortised cost	14 480 811	12 719 910
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	387 420	51 236
Call Deposits	Financial Instruments at amortised cost	7 595 653	519 737
Total Financial Assets		51 292 482	36 037 383
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	5 928 080	4 707 771
Receivables from Exchange Transactions	Water	13 732 227	10 763 150
Receivables from Exchange Transactions	Waste Management	6 002 613	4 829 565
Receivables from Exchange Transactions	Waste Water Management	3 165 677	2 446 015
Receivables from Exchange Transactions	Other Arrears	14 480 811	12 719 910
Cash and Cash Equivalents	Bank Balances	387 420	51 236
Cash and Cash Equivalents	Call Deposits	7 595 653	519 737
		51 292 482	36 037 383
Total Financial Assets		51 292 482	36 037 383
47.2 Financial Liabilities	<u>Classification</u>		
Long-term Liabilities			
Capitalised Lease Liability	Financial Instruments at amortised cost	2 755 501	748 243
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	19 834 981	33 528 392
Advance Payments	Financial Instruments at amortised cost	122 217	909 747
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	1 394 632	7 557 804
		24 107 331	42 744 187
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	2 755 501	748 243
Trade and Other Payables	Trade Payables	19 834 981	33 528 392
Trade and Other Payables	Advance Payments	122 217	909 747
Trade and Other Payables	Control, Clearing and Interface Accounts	1 394 632	7 557 804
		24 107 331	42 744 187

EXAMPLE MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 R	2016 R
48. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
Taxes		
VAT Receivable	5 706 268	5 350 346
Receivables from Non-Exchange Transactions	19 296 045	35 466 410
Rates	19 296 045	35 466 410
Total Statutory Receivables (before provision)	25 002 313	40 816 756
Less: Provision for Debt Impairment	(14 599 523)	(12 476 453)
Total Statutory Receivables (after provision)	10 402 790	28 340 303
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	12 476 453	9 902 367
Contribution to provision	2 123 070	2 574 087
Reversal of provision	-	-
Balance at end of year	14 599 523	12 476 453
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	628 067	275 215
2+ months past due	3 440 388	2 440 821
	4 068 455	2 716 036
49. IN-KIND DONATIONS AND ASSISTANCE		
The municipality received the following in-kind donations and assistance:		
(i) Secondment of a Finance Advisor by National Treasury for two years.		
50. PRIVATE PUBLIC PARTNERSHIPS		
Council has not entered into any private public partnerships during the financial year.		
51. CONTINGENT LIABILITY		
Claims against Council	2 000 000	1 700 000
The municipality is being sued by the widow of Mr LJ Swart for damages and loss of support. The municipality allegedly failed to switch off the electricity supply to the supply system on which Mr Swart was working as an independent contractor on behalf of the municipality, which caused Mr Swart to receive a fatal electrical shock. The municipality is defending the claim based on legal advice. A trial date has not been set to date. The claimed amount does not include legal costs. The outcome of the case is still uncertain.		
The municipality does not have a permit or license for landfill-sites currently in use in Garies and Hondeklip Bay, and could be liable for a penalty, to a maximum amount of R10 000 000, in terms of section 68(1) National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008).		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

52. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

52.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2017				
Councillors				
MJ Cloete	392	1 044	-	1 436
S Nero	-	273	-	273
C Kordom	-	1 863	-	1 863
E Petersen	-	126	-	126
M Rooi	10 518	32 004	430	42 953
R Adams	-	11 316	3 579	14 896
JG Cloete	-	1 101	-	1 101
F Links	95	415	-	510
	11 005	48 143	4 009	63 157
Year ended 30 June 2016				
Councillors				
MR Klaase	1 913	4 355	-	405
EA Stewens	-	1 801	-	139
MJ Cloete	6 909	18 440	-	8 411
MS Cardinal	1 389	1 919	-	1 538
SC Nero		1 544	-	128
	10 211	28 059	-	10 621
Municipal Manager and Section 57 Employees				
JG Cloete	-	10 186	-	996
F Links	1 065	6 193	-	393
	1 065	16 379	-	1 389

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

52.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

52.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

53. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Kamiesberg communities resulted in a serious risk for Kamiesberg Municipality's going concern.

Unless sustainable job creation is achieved, Kamiesberg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

54. EVENTS AFTER REPORTING DATE

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017.

10. PROPERTY, PLANT AND EQUIPMENT

10.1 30 JUNE 2017

Reconciliation of Carrying Value						
	Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2016	7 657 095	7 232 658	93 164 938	713 386	2 013 481	110 781 558
Cost	7 657 095	9 813 019	217 178 382	971 898	6 646 402	242 266 796
Original Cost	7 657 095	9 813 019	217 178 382	971 898	6 646 402	242 266 796
Accumulated Depreciation and Impairment Losses	-	(2 580 361)	(124 013 443)	(258 512)	(4 632 922)	(131 485 238)
Original Cost	-	(2 580 361)	(124 013 443)	(258 512)	(4 632 922)	(131 485 238)
Acquisitions	-	-	-	2 358 389	224 547	2 582 936
Capital under Construction	-	-	9 428 184	-	-	9 428 184
IGRAP 2 Adjustment	-	-	1 502 418	-	-	1 502 418
Depreciation	-	-	(840 892)	(331 261)	(419 559)	(1 591 711)
Normal Depreciation	-	-	(840 892)	(331 261)	(419 559)	(1 591 711)
Backlog Depreciation	-	-	-	-	-	-
Carrying value of disposals	-	-	-	(33 823)	(289 059)	(322 882)
Cost	-	-	-	(232 095)	(1 445 832)	(1 677 928)
Accumulated Depreciation	-	-	-	198 273	1 156 773	1 355 045
Impairment losses	-	-	160 133	-	(26 627)	133 506
Reversal of Impairment losses	-	-	160 133	-	-	160 133
Impairment losses	-	-	-	-	(26 627)	(26 627)
Carrying Value at 30 June 2017	7 657 095	7 232 658	103 414 781	2 706 692	1 502 782	122 514 008
Cost	7 657 095	9 813 019	228 108 983	3 098 192	5 425 117	254 102 406
Original Cost	7 657 095	9 813 019	228 108 983	3 098 192	5 425 117	254 102 406
Accumulated Depreciation and Impairment Losses	-	(2 580 361)	(124 694 202)	(391 500)	(3 922 335)	(131 588 398)
Original Cost	-	(2 580 361)	(124 694 202)	(391 500)	(3 922 335)	(131 588 398)

10.2 30 JUNE 2016

Reconciliation of Carrying Value						
	Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2015	7 657 095	7 910 537	91 717 524	536 712	3 017 702	110 839 570
Cost	7 657 095	9 765 979	208 558 372	921 116	7 823 394	234 725 956
Original Cost	7 657 095	9 765 979	208 558 372	922 892	4 661 951	231 566 288
Correction of Error - Note 38.1	-	-	-	(1 776)	3 161 443	3 159 667
Accumulated Depreciation and Impairment Losses	-	(1 855 443)	(116 840 848)	(384 404)	(4 805 692)	(123 886 386)
Original Cost	-	(1 855 443)	(116 840 848)	(392 088)	(3 237 542)	(122 325 920)
Correction of Error - Note 38.1	-	-	-	7 684	(1 568 150)	(1 560 466)
Acquisitions	-	47 040	1 979 992	487 948	375 832	2 890 812
Capital under Construction	-	-	6 640 018	-	-	6 640 018
Depreciation	-	(724 919)	(7 311 220)	(204 314)	(583 376)	(8 823 829)
Normal Depreciation	-	(724 919)	(7 311 220)	(210 118)	(495 177)	(8 741 434)
Backlog Depreciation previously not recorded - Note 38.1	-	-	-	5 804	(88 199)	(82 396)
Carrying value of disposals	-	-	-	(106 960)	(796 677)	(903 637)
Cost	-	-	-	(437 166)	(1 552 823)	(1 989 990)
Accumulated Depreciation	-	-	-	330 206	756 146	1 086 353
Impairment losses	-	-	138 624	-	-	138 624
Cost	-	-	-	-	-	-
Reversal of Impairment losses	-	-	299 892	-	-	299 892
Impairment losses	-	-	(161 268)	-	-	(161 268)
Carrying Value at 30 June 2016	7 657 095	7 232 658	93 164 938	713 386	2 013 481	110 781 558
Cost	7 657 095	9 813 019	217 178 382	971 898	6 646 402	242 266 796
Original Cost	7 657 095	9 813 019	217 178 382	971 898	6 646 402	242 266 796
Accumulated Depreciation and Impairment Losses	-	(2 580 361)	(124 013 443)	(258 512)	(4 632 922)	(131 485 238)
Original Cost	-	(2 580 361)	(124 013 443)	(258 512)	(4 632 922)	(131 485 238)

APPENDIX A
KAMIESBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2017

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2016	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2017
LEASE LIABILITY								
Nashua	14.00%	Various		737 191	-	234 990	(233 442)	738 739
Nashua Mobile	10.00%	Various		11 053	-	24 041	(17 109)	17 985
Bidvest	10.00%	Various		-	-	2 099 358	(100 581)	1 998 777
Total Lease Liabilities				748 243	-	2 358 389	(351 132)	2 755 501
TOTAL EXTERNAL LOANS				748 243	-	2 358 389	(351 132)	2 755 501

APPENDIX B
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R		2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R
			Governance and Administration			
(1 754 784)	(4 212 516)	(5 967 300)	Executive and council	(1 929 693)	(4 530 539)	(6 460 232)
34 854 969	(12 076 640)	22 778 329	Budget and Treasury Office	69 143 990	(11 020 232)	58 123 758
927 499	(9 988 505)	(9 061 007)	Corporate Services	4 589 064	(13 849 649)	(9 260 584)
			Community and Public Safety			
694 270	(139 028)	555 242	Community and Social Services	630 942	(195 707)	435 235
116 906	(161 307)	(44 402)	Sport and Recreation	27 890	(162 127)	(134 236)
-	-	-	Public Safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			Economic and Environmental Services			
217 943	(1 386 453)	(1 168 510)	Planning and Development	132 976	(1 660 238)	(1 527 262)
219 576	(4 737 257)	(4 517 681)	Road Transport	478 811	(2 676 755)	(2 197 945)
-	-	-	Environmental Protection	-	-	-
			Trading Services			
5 787 836	(10 343 047)	(4 555 211)	Electricity	7 807 007	(11 571 878)	(3 764 871)
3 453 001	(4 882 969)	(1 429 968)	Water	5 083 175	(2 715 401)	2 367 774
1 212 864	-	1 212 864	Waste Water Management	1 673 832	-	1 673 832
2 998 346	(6 265 626)	(3 267 280)	Waste Management	2 508 565	(6 748 107)	(4 239 543)
-	-	-	Other	-	-	-
48 728 426	(54 193 348)	(5 464 922)	Sub Total	90 146 559	(55 130 633)	35 015 926
-	-	-	Less Inter-Departmental Charges	-	-	-
48 728 426	(54 193 348)	(5 464 922)	Total	90 146 559	(55 130 633)	35 015 926

APPENDIX C
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017
MUNICIPAL VOTES CLASSIFICATIONS

2016 Actual Income R	2016 Actual Expenditure R	2016 Surplus/ (Deficit) R		2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R
			EXECUTIVE COUNCIL			
(1 757 411)	(1 638 040)	(3 395 451)	Municipal Manager	(1 929 693)	(1 365 785)	(3 295 478)
2 627	(2 574 476)	(2 571 849)	Councillors	-	(3 164 754)	(3 164 754)
			FINANCE AND ADMINISTRATION			
34 854 969	(12 076 640)	22 778 329	Finance	69 143 990	(11 020 232)	58 123 758
1 145 442	(9 988 505)	(8 843 063)	Administration	4 722 041	(13 849 649)	(9 127 608)
687 614	(139 028)	548 586	Commonage	624 529	(195 707)	428 821
			COMMUNITY AND SOCIAL SERVICES			
5 502	-	5 502	Cemeteries	5 315	-	5 315
1 154	-	1 154	Libraries	1 098	-	1 098
			SPORT AND RECREATION			
94 372	(161 307)	(66 934)	Sportgrounds and Community Facilities	21 000	(162 127)	(141 127)
22 533	(1)	22 533	Caravan Park	6 890	-	6 890
			WASTE MANAGEMENT			
2 998 346	(6 265 626)	(3 267 280)	Refuse and Sanitation	2 508 565	(6 748 107)	(4 239 543)
			WATER			
3 453 001	(4 882 969)	(1 429 968)	Water	5 083 175	(2 715 401)	2 367 774
			ELECTRICITY			
5 787 836	(10 343 047)	(4 555 211)	Electricity	7 807 007	(11 571 878)	(3 764 871)
			ECONOMIC AND SOCIAL DEVELOPMENT			
-	(1 386 453)	(1 386 453)	Local Economic Development	-	(1 660 238)	(1 660 238)
			TECHNICAL AND ROADS			
219 576	(4 737 257)	(4 517 681)	Streets	478 811	(2 676 755)	(2 197 945)
			WASTE WATER MANAGEMENT			
1 212 864	-	1 212 864	Sewerage	1 673 832	-	1 673 832
48 728 426	(54 193 348)	(5 464 922)	Sub Total	90 146 559	(55 130 633)	35 015 926
-	-	-	Less Inter-Departmental Charges	-	-	-
48 728 426	(54 193 348)	(5 464 922)	Total	90 146 559	(55 130 633)	35 015 926

APPENDIX D
KAMIESBERG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2016	Correction of Error	Restated Balance 30 June 2016	Contributions during the year	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2017	Unspent 30 June 2017 (Creditor)	Unpaid 30 June 2017 (Debtor)
<u>National Government Grants</u>										
Equitable Share	-	-	-	18 175 314	-	(18 175 314)	-	-	-	-
Finance Management Grant	263 319	-	263 319	2 010 000	(263 319)	(2 010 000)	-	-	-	-
Municipal System Improvement Grant	161 198	-	161 198	-	(161 198)	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	8 406 000	-	-	(8 167 873)	238 127	238 127	-
Integrated National Electrification Grant	284 796	-	284 796	-	(284 796)	-	-	-	-	-
Total National Government Grants	709 314	-	709 314	28 591 314	(709 314)	(20 185 314)	(8 167 873)	238 127	238 127	-
<u>Provincial Government Grants</u>										
Expanded Public Works Programme	846 759	-	846 759	1 000 000	-	-	(469 448)	1 377 311	1 377 311	-
Department Water Affairs and Environment	141 362	-	141 362	-	-	-	-	141 362	141 362	-
Library	1 322 784	-	1 322 784	1 317 000	-	(378 689)	-	2 261 094	2 261 094	-
Project Nala	620 180	-	620 180	-	-	-	-	620 180	620 180	-
Department Finance, Economic Development & Tourism	100 000	-	100 000	-	-	-	-	100 000	100 000	-
Tourism	31 275	-	31 275	116 635	-	-	-	147 909	147 909	-
Department Social Services	482	-	482	-	-	-	-	482	482	-
Department Sport, Arts and Culture	6 262	-	6 262	-	-	-	-	6 262	6 262	-
Drought Relief	24 409	-	24 409	-	-	-	-	24 409	24 409	-
Total Provincial Government Grants	3 093 513	-	3 093 513	2 433 635	-	(378 689)	(469 448)	4 679 010	4 679 010	-
<u>District Municipality</u>										
Namakwa DM	339 125	-	339 125	273 561	-	-	(327 537)	285 149	285 149	-
Total District Municipality Grants	339 125	-	339 125	273 561	-	-	(327 537)	285 149	285 149	-
Total Grants	4 141 952	-	4 141 952	31 298 509	(709 314)	(20 564 003)	(8 964 858)	5 202 286	5 202 286	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

MUN - Reconciliation of Table A1 Budget Summary

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	8 864	1 752	10 616	6 675		3 941	62.9%	75.3%				5 747
Service charges	12 116	3 020	15 136	13 738		1 398	90.8%	113.4%				8 938
Investment revenue	-	813	813	885		(72)	108.9%	#DIV/0!				141
Transfers recognised - operational	22 166	21 077	43 243	51 587		(8 344)	119.3%	232.7%				19 561
Other own revenue	3 288	(480)	2 808	8 646		(5 838)	307.9%	263.0%				5 280
Total Revenue (excluding capital transfers and contributions)	46 434	26 182	72 616	81 531		(8 915)	112.3%	175.6%				39 668
Employee costs	17 570	1 117	18 687	20 106	-	(1 419)	107.6%	114.4%	-	-	-	17 426
Remuneration of councillors	2 230	22	2 252	2 154	-	98	95.7%	96.6%	-	-	-	2 126
Debt impairment	2 001	-	2 001	7 358	-	(5 357)	367.7%	367.7%	-	-	-	4 214
Depreciation & asset impairment	2 865	-	2 865	1 625	-	1 240	56.7%	56.7%	-	-	-	8 720
Finance charges	78	73	151	2 957	-	(2 806)	1958.2%	3790.9%	-	-	-	4 105
Materials and bulk purchases	13 610	1 039	14 649	12 351	-	2 298	84.3%	90.8%	-	-	-	10 011
Transfers and grants	2 542	-	2 542	-	-	2 542	0.0%	0.0%	-	-	-	-
Other expenditure	9 741	844	10 585	8 928	-	1 657	84.3%	91.7%	-	-	-	7 699
Total Expenditure	50 637	3 095	53 732	55 480	-	(1 748)	103.3%	109.6%	-	-	-	54 301
Surplus/(Deficit)	(4 203)	23 087	18 884	26 051		(7 167)	138.0%	-619.8%				(14 634)
Transfers recognised - capital	9 606	(2 400)	7 206	8 965		(1 759)	124.4%	93.3%				9 169
Contributions recognised - capital & contributed assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after capital transfers & contributions	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) for the year	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	9 606	(2 400)	7 206	8 965		(1 759)	124.4%	93.3%				8 980
Public contributions & donations	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Borrowing	-	-	-	2 358		(2 358)	#DIV/0!	#DIV/0!				541
Internally generated funds	-	-	-	2 262		(2 262)	#DIV/0!	#DIV/0!				-
Total sources of capital funds	9 606	(2 400)	7 206	13 585		(6 379)	188.5%	141.4%				9 521
Cash flows												
Net cash from (used) operating	1 186	23 575	24 761	17 381		7 380	70.2%	1465.5%				8 025
Net cash from (used) investing	-	-	-	(9 724)		9 724	#DIV/0!	#DIV/0!				(8 418)
Net cash from (used) financing	-	-	-	(245)		245	#DIV/0!	#DIV/0!				99
Cash/cash equivalents at the year end	1 186	23 575	24 761	7 983		16 778	32.2%	673.1%				572

MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand												
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	29 419	23 545	52 964	71 803		(18 839)	135.6%	244.1%				34 028
Executive and council	-	-	-	(1 930)		1 930	#DIV/0!	#DIV/0!				(1 755)
Budget and treasury office	28 356	23 545	51 901	69 144		(17 243)	133.2%	243.8%				34 855
Corporate services	1 063	-	1 063	4 589		(3 526)	431.7%	431.7%				927
<i>Community and public safety</i>	-	-	-	659		(659)	#DIV/0!	#DIV/0!				811
Community and social services	-	-	-	631		(631)	#DIV/0!	#DIV/0!				694
Sport and recreation	-	-	-	28		(28)	#DIV/0!	#DIV/0!				117
Public safety	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Housing	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Health	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<i>Economic and environmental services</i>	1 957	-	1 957	612		1 345	31.3%	31.3%				438
Planning and development	1 752	-	1 752	133		1 619	7.6%	7.6%				218
Road transport	205	-	205	479		(274)	233.6%	233.6%				220
Environmental protection	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<i>Trading services</i>	24 664	237	24 901	17 073		7 828	68.6%	69.2%				13 452
Electricity	7 155	1 272	8 427	7 807		620	92.6%	109.1%				5 788
Water	13 817	(1 845)	11 972	5 083		6 889	42.5%	36.8%				3 453
Waste water management	1 395	160	1 555	1 674		(119)	107.6%	120.0%				1 213
Waste management	2 297	650	2 947	2 509		438	85.1%	109.2%				2 998
<i>Other</i>	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Total Revenue - Standard	56 040	23 782	79 822	90 147		(10 325)	112.9%	160.9%				48 728

MUN - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
<i>Governance and administration</i>	26 153	97	26 250	29 400	-	(3 150)	112.0%	112.4%	-	-	-	26 278
Executive and council	5 079	22	5 101	4 531	-	570	88.8%	89.2%	-	-	-	4 213
Budget and treasury office	13 032	75	13 107	11 020	-	2 087	84.1%	84.6%	-	-	-	12 077
Corporate services	8 042	-	8 042	13 850	-	(5 808)	172.2%	172.2%	-	-	-	9 989
<i>Community and public safety</i>	-	-	-	358	-	(358)	#DIV/0!	#DIV/0!	-	-	-	300
Community and social services	-	-	-	196	-	(196)	#DIV/0!	#DIV/0!	-	-	-	139
Sport and recreation	-	-	-	162	-	(162)	#DIV/0!	#DIV/0!	-	-	-	161
Public safety	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<i>Economic and environmental services</i>	4 896	-	4 896	4 337	-	559	88.6%	88.6%	-	-	-	6 124
Planning and development	2 710	-	2 710	1 660	-	1 050	61.3%	61.3%	-	-	-	1 386
Road transport	2 186	-	2 186	2 677	-	(491)	122.4%	122.4%	-	-	-	4 737
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<i>Trading services</i>	19 588	2 999	22 587	21 035	-	1 552	93.1%	107.4%	-	-	-	21 492
Electricity	12 113	1 200	13 313	11 572	-	1 741	86.9%	95.5%	-	-	-	10 343
Water	3 371	(161)	3 210	2 715	-	495	84.6%	80.6%	-	-	-	4 883
Waste water management	3 989	-	3 989	-	-	3 989	0.0%	0.0%	-	-	-	-
Waste management	115	1 960	2 075	6 748	-	(4 673)	325.2%	5867.9%	-	-	-	6 266
<i>Other</i>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Total Expenditure - Standard	50 637	3 096	53 733	55 131	-	(1 398)	102.6%	108.9%	-	-	-	54 193
Surplus/(Deficit) for the year	5 403	20 686	26 089	35 016	-	(8 927)	134.2%	648.1%	-	-	-	(5 465)

MUN - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand												
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive Council	-	-	-	(1 930)		1 930	#DIV/0!	#DIV/0!				(1 755)
Vote 2 - Finance and Administration	29 419	23 545	52 964	74 491		(21 527)	140.6%	253.2%				36 688
Vote 3 - Community and Social Services	-	-	-	6		(6)	#DIV/0!	#DIV/0!				7
Vote 4 - Sport and Recreation	-	-	-	28		(28)	#DIV/0!	#DIV/0!				117
Vote 5 - Waste Management	2 297	650	2 947	2 509		438	85.1%	109.2%				2 998
Vote 6 - Water	13 817	(1 845)	11 972	5 083		6 889	42.5%	36.8%				3 453
Vote 7 - Electricity	7 155	1 272	8 427	7 807		620	92.6%	109.1%				5 788
Vote 8 - Economic and Social Development	1 752	-	1 752	-		1 752	0.0%	0.0%				-
Vote 9 - Technicaland Roads	205	-	205	479		(274)	233.6%	233.6%				220
Vote 10 - Waste Water Management	1 395	160	1 555	1 674		(119)	107.6%	120.0%				1 213
Total Revenue by Vote	56 040	23 782	79 822	90 147		(10 325)	112.9%	160.9%				48 728
Expenditure by Vote to be appropriated												
Vote 1 - Executive Council	5 079	22	5 101	4 531	-	570	88.8%	89.2%	-	-	-	4 213
Vote 2 - Finance and Administration	21 074	75	21 149	25 066	3 917	(3 917)	118.5%	118.9%	-	-	-	22 204
Vote 3 - Community and Social Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Sport and Recreation	-	-	-	162	162	(162)	#DIV/0!	#DIV/0!	-	-	-	161
Vote 5 - Waste Management	115	1 960	2 075	6 748	4 673	(4 673)	325.2%	5867.9%	-	-	-	6 266
Vote 6 - Water	3 371	(161)	3 210	2 715	-	495	84.6%	80.6%	-	-	-	4 883
Vote 7 - Electricity	12 113	1 200	13 313	11 572	-	1 741	86.9%	95.5%	-	-	-	10 343
Vote 8 - Economic and Social Development	2 710	-	2 710	1 660	-	1 050	61.3%	61.3%	-	-	-	1 386
Vote 9 - Technicaland Roads	2 186	-	2 186	2 677	491	(491)	122.4%	122.4%	-	-	-	4 737
Vote 10 - Waste Water Management	3 989	-	3 989	-	-	3 989	0.0%	0.0%	-	-	-	-
Total Expenditure by Vote	50 637	3 096	53 733	55 131	-	(1 398)	102.6%	108.9%	-	-	-	54 193
Surplus/(Deficit) for the year	5 403	20 686	26 089	35 016		(8 927)	134.2%	648.1%				(5 465)

MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	8 864	1 752	10 616	6 675		3 941	62.9%	75.3%				5 747
Property rates - penalties & collection charges	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Service charges - electricity revenue	5 747	2 315	8 062	6 813		1 249	84.5%	118.6%				3 296
Service charges - water revenue	4 160	(145)	4 015	3 943		72	98.2%	94.8%				2 838
Service charges - sanitation revenue	1 080	160	1 240	1 457		(217)	117.5%	134.9%				1 148
Service charges - refuse revenue	1 129	690	1 819	1 524		295	83.8%	135.0%				1 656
Service charges - other	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Rental of facilities and equipment	238	(97)	141	192		(51)	136.3%	80.7%				281
Interest earned - external investments	-	813	813	885		(72)	108.9%	#DIV/0!				141
Interest Earned - outstanding receivables	1 470	(440)	1 030	3 474		(2 444)	337.3%	236.3%				3 304
Dividends received	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fines	5	-	5	6		(1)	119.2%	119.2%				6
Licences and permits	1	-	1	152		(151)	15152.4%	15152.4%				130
Agency services	-	-	-	351		(351)	#DIV/0!	#DIV/0!				376
Transfers recognised - operational	22 166	21 077	43 243	51 587		(8 344)	119.3%	232.7%				19 561
Other revenue	1 574	57	1 631	4 472		(2 841)	274.2%	284.1%				1 184
Gains on disposal of PPE	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Total Revenue (excluding capital transfers and contributions)	46 434	26 182	72 616	81 531		(8 915)	112.3%	175.6%				39 668
Expenditure By Type												
Employee related costs	17 570	1 117	18 687	20 106		(1 419)	107.6%	114.4%	-	-	-	17 426
Remuneration of councillors	2 230	22	2 252	2 154		98	95.7%	96.6%	-	-	-	2 126
Debt impairment	2 001	-	2 001	7 358		(5 357)	367.7%	367.7%	-	-	-	4 214
Depreciation & asset impairment	2 865	-	2 865	1 625		1 240	56.7%	56.7%	-	-	-	8 720
Finance charges	78	73	151	2 957		(2 806)	1958.2%	3790.9%	-	-	-	4 105
Bulk purchases	11 240	1 039	12 279	10 653		1 626	86.8%	94.8%	-	-	-	8 709
Other materials	2 370	-	2 370	1 699		671	71.7%	71.7%	-	-	-	1 302
Contracted services	-	-	-	4 028		(4 028)	#DIV/0!	#DIV/0!	-	-	-	2 609
Transfers and grants	2 542	-	2 542	-		2 542	0.0%	0.0%	-	-	-	-
Other expenditure	9 741	844	10 585	4 901		5 684	46.3%	50.3%	-	-	-	4 330
Loss on disposal of PPE	-	-	-	-		-	#DIV/0!	#DIV/0!	-	-	-	761
Total Expenditure	50 637	3 095	53 732	55 480	-	(1 748)	103.3%	109.6%	-	-	-	54 301

MUN - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit)	(4 203)	23 087	18 884	26 051		(7 167)	138.0%	-619.8%				(14 634)
Transfers recognised - capital	9 606	(2 400)	7 206	8 965		(1 759)	124.4%	93.3%				9 169
Contributions recognised - capital	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Contributed assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after capital transfers & contributions	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)
Taxation	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after taxation	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)
Attributable to minorities	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) attributable to municipality	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) for the year	5 403	20 687	26 090	35 016		(8 926)	134.2%	648.1%				(5 465)

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2016/17								2015/16			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<u>Capital expenditure - Vote</u>												
<u>Multi-year expenditure</u>												
Vote 1 - Executive Council	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 2 - Finance and Administration	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Community and Social Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Sport and Recreation	1 200	(1 200)	-	-	-	-	#DIV/0!	-100%	-	-	-	-
Vote 5 - Waste Management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 6 - Water	8 406	(1 200)	7 206	6 910	-	-	-4%	-18%	-	-	-	8 287
Vote 7 - Electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	333
Vote 8 - Economic and Social Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 9 - Technical and Roads	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Capital multi-year expenditure	9 606	(2 400)	7 206	6 910	-	-	-4%	-28%	-	-	-	8 620
<u>Single-year expenditure</u>												
Vote 1 - Executive Council	-	-	-	2 358	2 358	-	#DIV/0!	#DIV/0!	-	-	-	901
Vote 2 - Finance and Administration	-	-	-	296	296	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Community and Social Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Sport and Recreation	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - Waste Management	-	-	-	1 502	1 502	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 6 - Water	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 7 - Electricity	-	-	-	54	54	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 8 - Economic and Social Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 9 - Technical and Roads	-	-	-	2 464	2 464	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Capital single-year expenditure	-	-	-	6 675	6 675	-	#DIV/0!	#DIV/0!	-	-	-	901
Total Capital Expenditure - Vote	9 606	(2 400)	7 206	13 585	6 675	-	89%	41%	-	-	-	9 521

MUN - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2016/17								2015/16			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
<i>Governance and administration</i>	-	-	-	2 654	-	(2 654)	#DIV/0!	#DIV/0!	-	-	-	-
Executive and council	-	-	-	2 358	-	(2 358)	#DIV/0!	#DIV/0!	-	-	-	-
Budget and treasury office	-	-	-	296	-	(296)	#DIV/0!	#DIV/0!	-	-	-	-
Corporate services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<i>Community and public safety</i>	1 200	(1 200)	-	-	-	-	#DIV/0!	0%	-	-	-	-
Community and social services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Sport and recreation	1 200	(1 200)	-	-	-	-	#DIV/0!	0%	-	-	-	-
Public safety	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<i>Economic and environmental services</i>	-	-	-	2 464	-	(2 464)	#DIV/0!	#DIV/0!	-	-	-	-
Planning and development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Road transport	-	-	-	2 464	-	(2 464)	#DIV/0!	#DIV/0!	-	-	-	-
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<i>Trading services</i>	8 406	(1 200)	7 206	8 467	-	(1 261)	117%	101%	-	-	-	8 620
Electricity	-	-	-	54	-	(54)	#DIV/0!	#DIV/0!	-	-	-	8 287
Water	8 406	(1 200)	7 206	6 910	-	296	96%	82%	-	-	-	333
Waste water management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Waste management	-	-	-	1 502	-	(1 502)	#DIV/0!	#DIV/0!	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Total Capital Expenditure - Standard	9 606	(2 400)	7 206	13 585	-	(6 379)	189%	141%	-	-	-	8 620
Funded by:												
National Government	9 606	(2 400)	7 206	8 168	-	-	13%	-15%	-	-	-	7 840
Provincial Government	-	-	-	469	-	-	#DIV/0!	#DIV/0!	-	-	-	979
District Municipality	-	-	-	328	-	-	#DIV/0!	#DIV/0!	-	-	-	161
Other transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Transfers recognised - capital	9 606	(2 400)	7 206	8 965	-	-	24%	-7%	-	-	-	8 980
Public contributions & donations	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Borrowing	-	-	-	2 358	-	-	#DIV/0!	#DIV/0!	-	-	-	541
Internally generated funds	-	-	-	2 262	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Total Capital Funding	9 606	(2 400)	7 206	13 585	-	-	89%	41%	-	-	-	9 521

MUN - Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/17							2015/16
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, peanalties and collection charges	8 811	1 805	10 616	3 228	7 388	30.4%	36.6%	2 008
Service charges	14 722	414	15 136	11 240	3 896	74.3%	76.3%	10 554
Other revenue	1 808	(30)	1 778	35 753	(33 975)	2010.9%	1977.5%	1 995
Government - operating	22 166	21 077	43 243	22 183	21 060	51.3%	100.1%	15 057
Government - capital	9 606	(2 400)	7 206	8 406	(1 200)	116.7%	87.5%	7 960
Interest	1 461	382	1 843	885	958	48.0%	60.6%	141
Dividends	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Payments								
Suppliers and employees	(45 694)	-	(45 694)	(63 422)	17 728	138.8%	138.8%	(25 709)
Finance charges	(78)	(73)	(151)	(892)	741	590.4%	1143.0%	(2 358)
Transfers and Grants	(11 616)	2 400	(9 216)	-	(9 216)	0.0%	0.0%	(1 623)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 186	23 575	24 761	17 381	7 380	70.2%	1465.5%	8 025
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	#DIV/0!	#DIV/0!	1 103
Decrease (Increase) in non-current debtors	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) other non-current receivables	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) in non-current investments	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Payments								
Capital assets	-	-	-	(9 724)	9 724	#DIV/0!	#DIV/0!	(9 521)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	(9 724)	9 724	#DIV/0!	#DIV/0!	(8 418)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	#DIV/0!	#DIV/0!	541
Borrowing long term/refinancing	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Increase (decrease) in consumer deposits	-	-	-	106	(106)	#DIV/0!	#DIV/0!	(5)
Payments								
Repayment of borrowing	-	-	-	(351)	351	#DIV/0!	#DIV/0!	(437)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	(245)	245	#DIV/0!	#DIV/0!	99
NET INCREASE/ (DECREASE) IN CASH HELD	1 186	23 575	24 761	7 412	17 349	29.9%	625.0%	(294)
Cash/cash equivalents at the year begin:	-	-	-	571	(571)	#DIV/0!	#DIV/0!	866
Cash/cash equivalents at the year end:	1 186	23 575	24 761	7 983	16 778	32.2%	673.1%	572